



CITY OF TUMWATER 2011-2012 BUDGET



ADOPTED
December 7, 2010

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Dear Tumwater Community:

I am pleased to present the City of Tumwater's first biennial budget for 2011 and 2012. I wish it was under better conditions as these are times of significant hardship for our community and our City organization. In spite of the financial challenges we face, our mission of providing leadership and essential municipal services like police protection, fire and emergency medical response, parks and recreation, planning for the future, building safety, municipal courts, and safe and efficient transportation continues.

The City did a good job at reducing expenses over the prior two years, but unfortunately, this recession has been deeper and lasted longer than we anticipated. What were short-term cuts to staffing and services in anticipation of a "normal" recession are no longer enough. By most estimates, we foresee eventually beginning a slow climb up in our economy in late 2012. In the meantime, our efforts to balance the budget have required that we look at more long-term ways to reduce expenses and seek additional revenue. At the same time, poverty in the community, crime and public safety needs, aging infrastructure, state and federal mandates, and additional public expectations have increased the demands for City services. The "new normal" has been used to refer to the reality of balancing increased needs with revenue levels that are significantly below the mid-2000s.

The Local Government Challenge

The past two years have been extraordinarily difficult for local government along with the private sector, state and county government, and not-for-profit organizations. After a decade of relative prosperity, the global economic crisis has caused Tumwater to feel the impact of slowed retail sales, depressed construction across all sectors, and declined economic activity. The City's General Fund is supported primarily by taxes and fees for services which have been heavily impacted by the recession.

Property Tax – The voter-imposed 1% tax cap limited the ability of property tax to maintain its share of the overall General Fund revenue picture. In past years, the growth of assessed valuation resulting from new construction off-set the cap but is providing little relief now because of the significant slow-down of construction. Property tax accounts for 28% of the General Fund budget.

Sales Tax – The City receives 0.85% of the sales tax paid in Tumwater. The City's retail market has few discretionary and high-end purchases (electronics, vehicles, furniture) so the retail sales tax is fairly constant. The sales tax from new construction, which is a significant factor in economically prosperous times, plays a vital role in funding capital improvements like roads, parks, trails, and other facilities. The decline in construction-based sales tax in 2010 was below what had previously been estimated as the baseline for sales tax revenue. Sales tax is estimated to provide about 21% of the General Fund in the coming biennium. Overall sales tax revenue has been fairly flat over the past two years and is expected to remain so in the coming biennium.



Utility Tax – This revenue source comes from the City-imposed tax on City utilities (water, sewer, storm) and private utilities (cable, phone, power, gas, garbage). The revenue from utility tax is anticipated to remain fairly steady as a share of the overall General Fund revenue and will increase some overall because of anticipated rate increases across utilities.

Business & Occupation Tax – Because of the recession, the share of B&O tax is expected to drop by about one percentage point, but still accounts for about 6.7% of the General Fund income.

Those four tax sources account for 73% of the General Fund revenue, supporting police, fire and emergency medical, animal control, planning and permitting, municipal court, legislative functions, parks and recreation, and community information. The remaining revenue sources are other taxes (liquor and gambling, leasehold excise), charges to enterprise funds (utilities and golf), intergovernmental contracts (Medic One), permit fees, court fines, business licenses, recreation fees, and other State grants. One of the City's financial strengths is a fairly diverse General Fund revenue equation.

As important as the City's General Fund, the various capital funds have been heavily impacted by the recession and the decline of capital revenue. Street and utility projects will slow significantly during the coming biennium. Planning for growth, economic opportunity, and several major capital initiatives (Deschutes Trail, Capitol Boulevard, Brewery and vicinity) will be the priority. Transportation and Parks projects are impacted by the reduction in utility taxes, real estate excise tax, impact and mitigation fees, state and federal grants and loans, and construction-related sales tax. Utility projects will be impacted by the reduction in connection charges and utility revenue.

The economic crisis exacerbated a previously existing trend in Tumwater and other cities of a long-term structural deficit. Simply put, the expenses are growing at rates which exceed revenue. Labor contracts, energy costs, health care premiums, construction costs, state and federal mandates, and pension costs have grown at rates approximating 3% over the past decade. The income from property tax is limited at 1% and income from new development struggles to keep up with the increased costs, particularly in a highly competitive environment for recruiting new business. An emphasis on new development may encounter opposition from a general public that resists rapid change in the community unless it is carefully directed and controlled. Even after the current recession ends, the structural deficit challenge for Tumwater will exist, necessitating regular long-range financial planning and decision-making that considers the City's financial needs for services and capital projects. This is one of the key messages in the Strategic Plan that the City adopted earlier this year.

When considering the City's financial condition and ways to move forward in this coming biennium and beyond, the City looks to four groups of actions (called the "Financial Toolbox") which can be explored. As they have been in 2010, significant actions from the "Toolbox" will be used in the coming biennium to address the continued provision of quality services to the community as discussed below.

- Efficiencies – The City continually seeks ways to maximize service delivery efficiency. We look at partnerships, technology, innovation, business planning, and listening

to our customers to make sure we are delivering value in the smartest way possible. In the coming biennium, we will look at alternative ways to deliver services in the fire, court, legal, and public works departments. We will seek ways to utilize technology to make the routine work more efficient with on-line bill payment and recreation reservations, but we will also invest in our website to provide a better tool for accessing information. An expanded communications program will help us better communicate with citizens, set priorities, and have a dialog about the value of City services.

- Increase Revenue Sources – Attracting new businesses and residents increases the property tax base, generates sales and utility taxes, and can generate B&O taxes and other user fees to sustain over-all City government. If done carefully, these new residents and businesses will pay more than the services they demand, will contribute to needed infrastructure improvements, and will create economies of scale that reduce the cost of individual government services. This budget proposes continued participation with the Thurston Economic Development Council, development of economic data to help market the assets and opportunities available in Tumwater, and development of marketing strategies as called out in the Economic Development Plan that was adopted this year. The budget also supports planning projects to help ensure the City's development regulations correspond to the City's vision and can be used reliably by developers to design projects. Investing in these opportunities at this time is essential to positioning the City for a better economic position in the future.
- Increase Taxes and Fees – Aside from the nominal increase in property tax revenue (1% estimated at \$48,000 annually), the budget does not include increases in taxes. Utility rates are projected to increase in order to fund increased costs in general operations across utilities, the new disinfection system in the water utility, and NPDES (federal water quality permit) requirements in the stormwater utility. In order to address needs for staff, equipment, and facilities for public safety, there is planned discussion of additional funding options, primarily voter-approved tax measures.
- Level of Service Changes – With the reduction of 15.5 FTEs (Full Time Equivalent positions) since 2008, there has been some corresponding decrease in the level of service. The City's parks and grounds do not look as some would like. Recreation programs have been cut because of reduced staffing. There are fewer police officers and firefighters than in previous years. Street maintenance is not what it should be. The City has been able to reduce the staff expense primarily through attrition and avoid furloughing some or all employees. This budget proposes some readjustment and reprioritization with the resources that are available. Four and a half FTEs are proposed to be added. Three of those are firefighters that will be funded specifically with money from the annexation into the Black Lake Fire District. A water quality technician is proposed to maintain the new water disinfection system. A half-time maintenance worker is proposed for 2012 as a partial backfill to a full-time position that is now unfilled.

The entire budget is \$96.2 million, including the General Fund, utilities, debt service funds, and special revenues. The largest portion of the budget is the General Fund

which supports most of the services of general government and is proposed to have a biennial budget of \$37.9 million. The largest departments in this fund are Police at \$8.3 million and Fire at \$9.1 million. Public safety expenses account for more than 50% of the General Government Fund. The proposed budget represents a 7% increase in expenses from 2009 to 2012, primarily as a result of increased employee costs for healthcare and pensions, three additional firefighters, and additional paramedics (funded by the County). As a result of biennial budgeting and an earlier reorganization of City departments, many of the departments in the General Fund have been changed making it difficult to track annual comparisons. This will be less of a problem in coming years as the changes are long-term and will actually facilitate better tracking of expenses.

Other major funds in the overall budget are utilities (\$11.9 million water utility, \$16.9 million sewer utility, and \$5.1 million storm utility), capital project funds (\$8.5 million), and the Asset Management Fund (\$6.3 million). The other 19 funds are restricted in their use by either State law or City policy.

Budget Highlights

Organizational Changes – Earlier in 2010, the City eliminated the Development Services Department and consolidated the employees and functions into Public Works and a new Community Development Department. Other changes occurring in the City's organization involve parks, facilities, the museum, administration, finance, human resources, and court. These changes are intended to improve the links between long-range planning and implementation, enhance efficiency, and improve the quality of service delivery. Several departments will continue to review organizational options through a Business Planning process during this biennium.

Communication and Engagement – The budget adds a Communications Coordinator who can prepare and deliver print and electronic newsletters, update and maintain the City's website, create a presence within other electronic media, develop promotional materials for marketing the City, manage engagement strategies to better involve citizens and businesses, and assist all departments in communicating their messages to the public. This is an investment that will have dividends in a greater connection between the City and community and also better position the City for recruiting investors of all kinds into the community.

Economic Development – The economic downturn has demonstrated the importance of on-going and diverse investments in the City. The Washington State tax-structure necessitates that on-going service provision, improvement of services, and capital improvements occur with the support of sales and real estate taxes along with growth in property and business taxes. The budget supports review and revisions of key development regulations to ensure predictability in their implementation. It also includes a plan for the transportation, land use, aesthetic, and economic turn-around of Capitol Boulevard. Along with community-wide communications programs, the City will expend resources to better market the special opportunities available here. Many of these are being done with grant support and a significant partnership with the Thurston Regional Planning Council (TRPC).

Public Safety Services – The demands for public safety services in the community have not declined during the recession. Calls for service to the Fire and Police Departments have continued to rise, and correspondingly, response times have also increased. This budget includes funding for three additional firefighters in order to help support the fire service transition that came with the west annexation. These firefighters will be a start at staffing the North End Fire Station. The City is also setting a goal of looking for funding to support additional increased staffing in police and fire, the replacement of public safety equipment, and the replacement of police facilities.

Planning for the Future – In the recession opportunities exist for the City to look ahead and be better positioned to ensure quality development that improves the community. Using grant money and reserves in the Capital Facility Program, the City will update the design guidelines which direct the appearance and function of most new development, work with TRPC to vision a new and vibrant future for the brewery.

Reduced Employee Costs – The budget keeps most open positions vacant, adds some replacement positions, and adds others as discussed above. Possibly the most significant component of this budget, and the key to the ability to balance revenues with expenses for the coming two years, is the contribution by our employees. This budget is based on the suspension of the Cost of Living Adjustment and significant changes to the employees' health care benefits for non-represented employees. Depending on the individual situation of the employee and the healthcare selected, the impact is in the range of a loss of \$165-\$557 per month. We appreciate that the employees have listened and worked to understand the needs for these changes even when it imposes a significant burden on them personally. The City will continue to work with the bargaining units where there are existing collective bargaining agreements (Fire and Teamsters) and those where there are contracts pending (Police) to obtain cost savings.

Taxes and Rates – The City has significant taxing capacity remaining which could be imposed either following an affirmative vote of the public or with just a Council vote. Because of current economic times, this budget proposes only the 1% increase in the overall property tax assessment which will result in an annual increase of \$48,000 in revenue. Rate increases are planned for the Water Utility in both years and for Storm and Sewer Utilities in only one of the coming years. No other increases are specifically planned, although the City regularly reviews and adjusts rates to address costs and market conditions related to permits, recreation programs, building rentals, and golf.

Transportation – Because of reduced City revenues and grants, the number of major construction projects is reduced. Nonetheless, the City will pursue pedestrian improvements along 70th Street, a new trail segment at the golf course, and an on-going allocation for small pedestrian and traffic-calming projects. Planning for the entire length of Capitol Boulevard will be a major initiative. Improvements to the intersection of Tumwater Boulevard and Henderson are planned for 2011 and a State grant will help support a new signal at Trosper and Lake Park. In order to address the potential challenges of a difficult winter, we will be making a substantial investment in additional snow and ice equipment.

Environment – The Stormwater Utility will pursue a major regional stormwater facility in the Valley along with strategies to improve outfall water quality. The City will update the Tree Plan to provide a better guide for tree planting. We will continue our efforts to reduce our impacts on the environment by “greening” our buildings and fleet. The updates to the City’s Shoreline Master Program will continue.

I am very proud of the exceptional work that the City has done. Although the new Strategic Plan stated that in doing our work we believe in People, Excellence, Opportunity, Partnership, Learning, and Environment; we have been doing our work with those beliefs in mind for a long time. I thank the City Council for their dedication and leadership during the past year and in the development of this budget. I look forward to working with the Council and community to better position the City for the future. I also want to thank the many directors, assistants, and other staff who have contributed to the production to this budget and for working constructively at keeping us a great organization in this “new normal”.

Sincerely,

A handwritten signature in black ink that reads "Pete Kmet". The signature is fluid and cursive, with the first name "Pete" and last name "Kmet" clearly distinguishable.

Pete Kmet
Mayor



Our Vision:

Tumwater of the future will be people-oriented and highly livable, with a strong economy, dynamic places, vibrant neighborhoods, a healthy natural environment, diverse and engaged residents, and living connection to its history.

Our Mission:

In active partnership with our citizens, we provide leadership and essential municipal services to cultivate a prosperous economy, a healthy natural environment, vibrant neighborhoods, and a supportive social fabric.

We Believe in:

People

We respect the diverse citizenry that makes up the social fabric of our community and strive to meet the needs of all citizens. We value and seek to strengthen our vibrant neighborhoods, which are cornerstones of civic life and community identity. As we pursue our goals and the long-term sustainability of the City organization, we value the contributions of our staff, support their continued personal and professional growth, and act to retain their expertise for the good of the community.

Excellence

We strive for excellence and integrity in providing City services. By providing quality services, being responsible and efficient stewards of public resources, and empowering employees to achieve excellence, we continue to build public trust and encourage civic involvement. We know that excellence does not have to come at the price of our sense of community or our small city character.

Opportunity

We seize opportunities to improve our community's social, environmental, and economic well-being. We endeavor to realize positive opportunities in adverse situations and periods of change.

Partnership

We work collaboratively with citizens, businesses, and community organizations. We also actively partner with other jurisdictions to address regional, state, and even broader issues.

Learning

We are a learning organization that tries to benefit from past experience, foresight, and innovation to seek new ways to enhance the community and improve City operations and services.

Environment

We act to preserve and enhance the natural environment and the social fabric of our community.

☞ Adopted by Tumwater City Council, April 20, 2010 ☞



MAYOR

Pete Kmet

4 yr. term expiring 12/31/13

COUNCILMEMBERS

Position 1

Ed Stanley, Mayor Pro-tem

4 yr. term expiring on 12/31/11

Position 2

Tom Olivia

Appointed January 1, 2010, expiring
on 12/31/11

Position 3

Joan Cathey

4 yr. term expiring on 12/31/11

Position 4

Betsy Murphy

4 yr. term expiring on 12/31/13

Position 5

Ed Hildreth

4 yr. term expiring on 12/31/13

Position 6

Judith Hoefling

4 yr. term expiring on 12/31/13

Position 7

Neil McClanahan

4 yr. term expiring on 12/31/11

MANAGEMENT TEAM

City Administrator

John Doan

City Attorney

Karen Kirkpatrick

Community Development Director

Mike Matlock

Finance Director

Jim Hendrickson

Fire Chief

John Carpenter

Administrative Services Director

Eric Trimble

Parks & Recreation Director

Chuck Denney

Police Chief

John Stines

Public Works Director

Jay Eaton

OTHER OFFICIALS

Municipal Judge

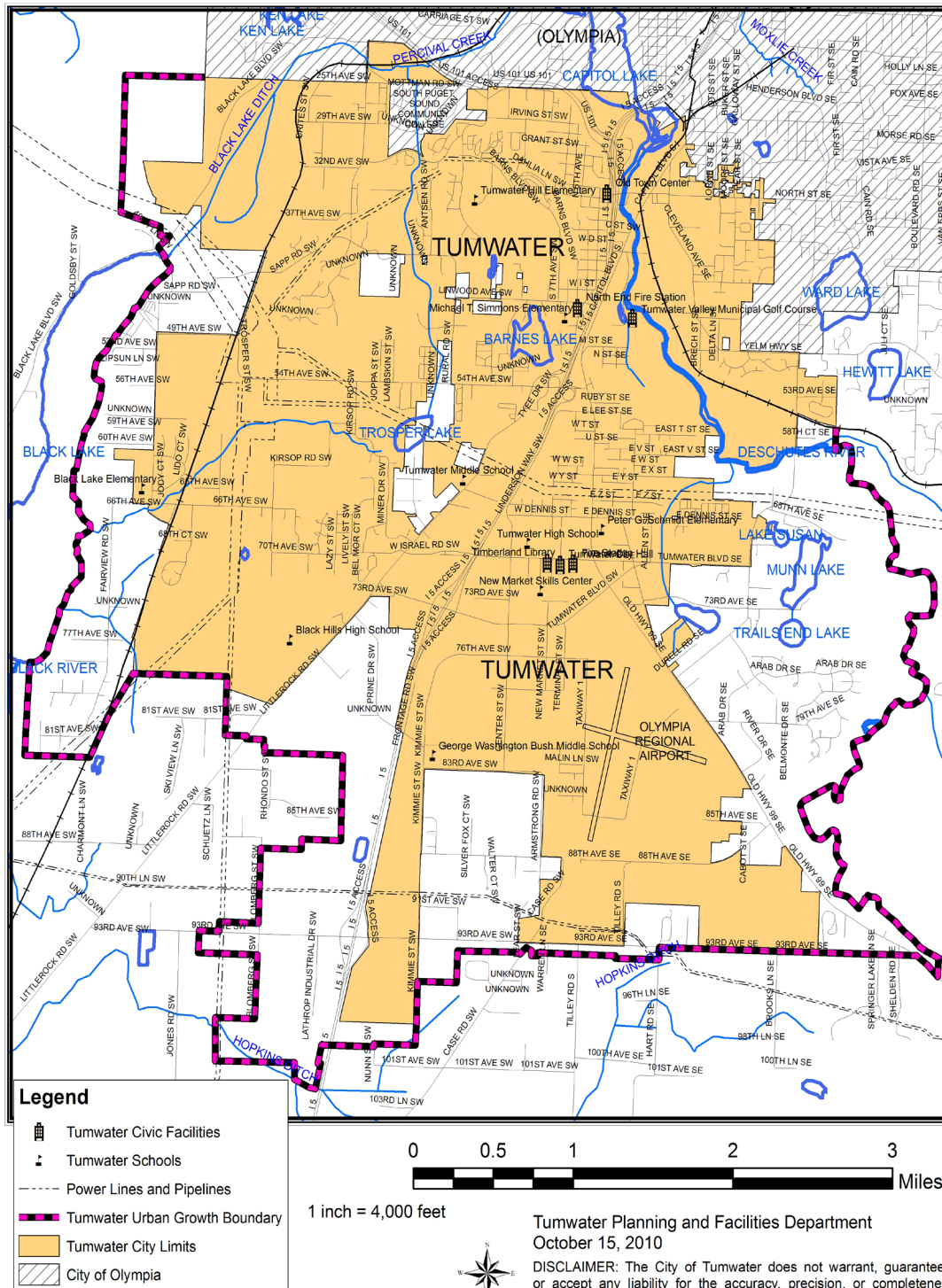
J.V. Lyman

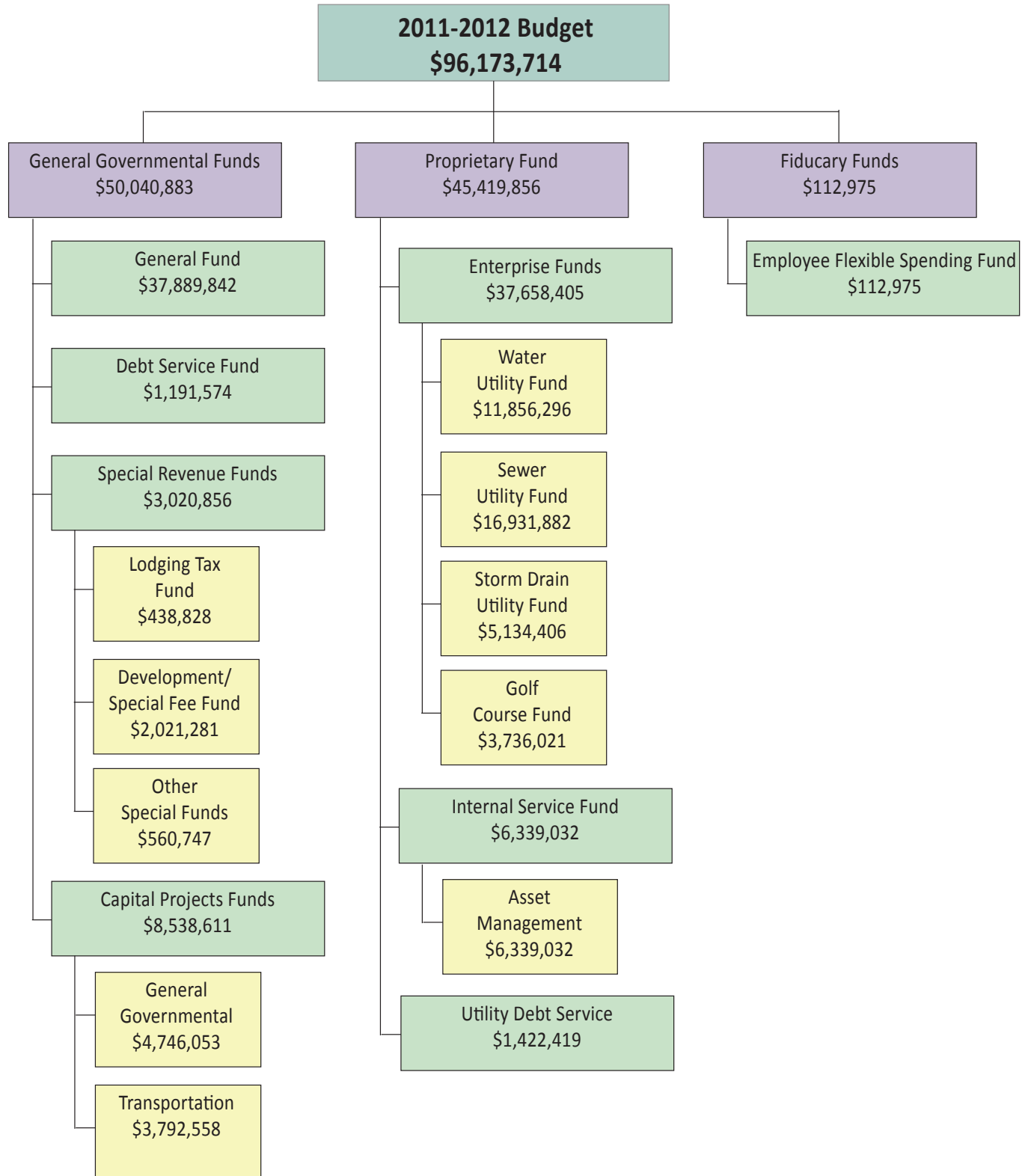
Hearing Examiner

Rodney Kerslake

CITY OF TUMWATER CITY LIMITS

Tumwater and the Urban Growth Area







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CITY OF TUMWATER

General Fund Budget Review

For the Biennium 2011-2012 With Comparison to Total of 2009-2010

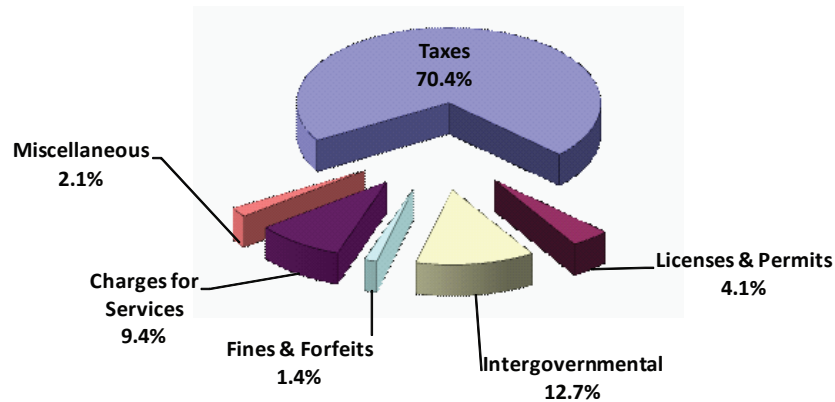
	2009 Final	2010 Final	2011-2012 Biennial Budget	\$ Change 2009-2010 Actual Totals to 2011-2012 Budget	% Change 2009- 2010 Actual Totals to 2011- 2012 Budget
BEGINNING FUND BALANCE	\$ 2,691,354	\$ 2,820,415	\$ 2,167,139	\$ (524,214.96)	-19.48%
REVENUES					
Property Tax	\$ 4,557,827	\$ 4,566,030	\$ 9,858,553	\$ 734,696	8.05%
Sales Tax	3,594,977	3,637,107	7,334,347	102,263	1.41%
Utility Tax	2,675,474	2,106,486	4,611,685	(170,275)	-3.56%
Business & Occupation Tax	1,157,729	1,284,689	2,334,500	(107,918)	-4.42%
Other Taxes	326,908	327,222	668,561	14,431	2.21%
Interfund Charges & Transfers	1,218,264	1,244,110	2,829,289	366,915	14.90%
Intergovernmental Contracts	1,568,343	1,736,565	3,950,024	645,117	19.52%
Development Permits Fees	546,394	912,600	1,013,800	(445,194)	-30.51%
Court Fines & Forfeits	239,275	238,912	500,300	22,113	4.62%
State Remittances	443,750	470,482	931,894	17,662	1.93%
Miscellaneous	160,620	489,472	297,600	(352,492)	-54.22%
Business Licenses	322,234	349,657	661,094	(10,797)	-1.61%
Grants	126,913	58,581	45,076	(140,418)	-75.70%
Parks & Recreation Fees	139,219	171,212	263,000	(47,432)	-15.28%
Interest Income	45,409	24,986	64,850	(5,545)	-7.88%
TOTAL REVENUES	\$ 17,123,336	\$ 17,618,111	\$ 35,364,573	\$ 623,126	1.79%
EXPENDITURES					
Salaries & Benefits	\$ 12,631,810	\$ 12,728,694	\$ 26,078,200	\$ 717,696	2.83%
Supplies	366,718	419,396	1,085,092	298,978	38.03%
Services & Contracts	1,892,261	1,962,871	4,981,433	1,126,301	29.22%
Intergovernmental	769,190	663,313	745,540	(686,963)	-47.96%
Interfund Transfers	1,327,280	1,616,871	2,993,926	49,775	1.69%
Capital Outlay	7,149	39,878	89,835	42,808	91.03%
TOTAL EXPENDITURES	\$ 16,994,407	\$ 17,431,023	\$ 35,974,026	\$ 1,548,595	4.50%
REVENUES IN EXCESS OF EXPENDITURES	\$ 128,929	\$ 187,088	\$ (609,453)	\$ (925,469)	-292.86%

EXPENDITURES BY DEPARTMENT

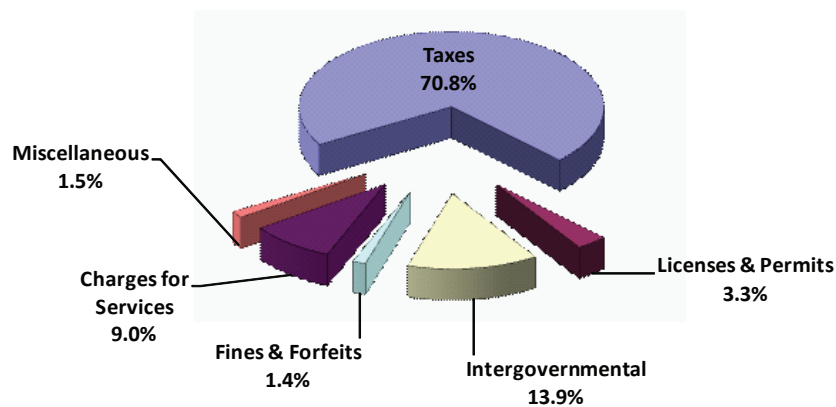
Department	2009 Final	2010 Final	2011-2012 Biennial Budget	\$ Change 2009-2010 Actual Totals to 2011-2012 Budget	% Change 2009- 2010 Actual Totals to 2011- 2012 Budget
Legislative	\$ 122,367	\$ 147,562	\$ 147,975	\$ (121,953)	-45.18%
Administration	305,927	315,515	753,185	131,742	21.20%
Finance	1,970,511	1,891,266	2,751,777	(1,110,000)	-28.74%
Court	-	-	612,085	612,085	100.00%
Human Resources	321,808	322,965	568,443	(76,330)	-11.84%
Legal	343,030	366,732	689,842	(19,920)	-2.81%
Parks & Recreation	1,034,759	1,051,254	4,394,288	2,308,275	110.65%
Police	4,044,836	4,149,657	8,285,410	90,918	1.11%
Fire & Emergency Services	4,389,967	4,449,332	9,051,320	212,020	2.40%
Engineering	119,005	151,469	288,690	18,215	6.73%
Planning & Facilities	1,634,879	1,674,860	-	(3,309,739)	-100.00%
Community Development	-	-	3,094,423	3,094,423	100.00%
Development Services	1,302,281	1,210,951	-	(2,513,232)	-100.00%
Street	1,254,505	1,310,008	2,735,882	171,369	6.68%
Non-Departmental	-	-	2,600,706	2,600,706	100.00%
Transfers & Reserves	150,534	389,451	-	(539,985)	-100.00%
TOTAL	\$ 16,994,407	\$ 17,431,023	\$ 35,974,026	\$ 1,548,595	4.50%

GENERAL FUND Revenue Analysis

General Fund Revenues - 2009-2010 Actual



General Fund Revenues - 2011-2012 Biennial Budget

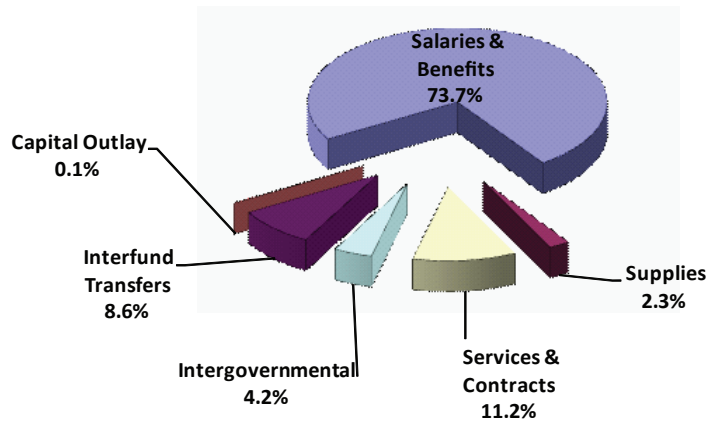


GENERAL FUND REVENUE COMPARISONS

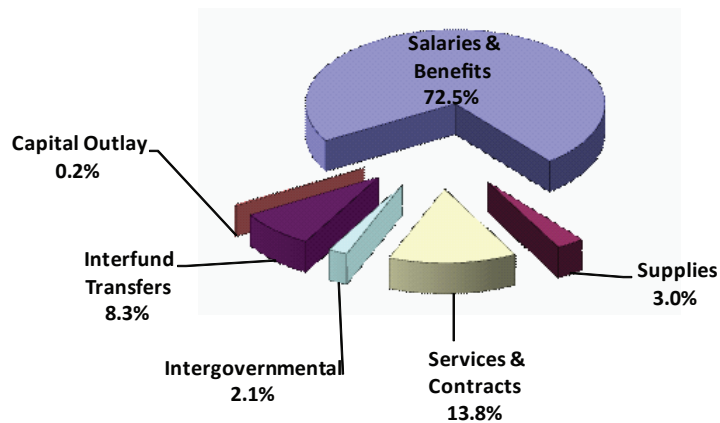
Revenues	2009 + 2010 Actual	2011-2012 Biennial Budget	\$ Change	% Change
Taxes	\$ 24,450,819	\$ 25,041,284	\$ 590,465	2.4%
Licenses & Permits	1,436,346.14	1,177,894.00	(258,452)	-18.0%
Intergovernmental	4,404,633.41	4,926,994.00	522,361	11.9%
Fines & Forfeits	478,061.54	499,900.00	21,838	4.6%
Charges for Services	3,258,305.16	3,192,204.00	(66,101)	-2.0%
Miscellaneous	713,281.39	526,297.00	(186,984)	-26.2%
TOTAL INFLOW	\$ 34,741,447	\$ 35,364,573	\$ 623,126	1.8%
Plus: Beginning Fund Balance	2,691,354	2,167,139	(524,215)	-19.5%
TOTAL REVENUES BUDGET	\$ 37,432,801	\$ 37,531,712	\$ 98,911	0.3%

GENERAL FUND Expenditure Analysis

General Fund Expenditures - 2009-2010 Actual



General Fund Expenditures - 2011-2012 Biennial Budget

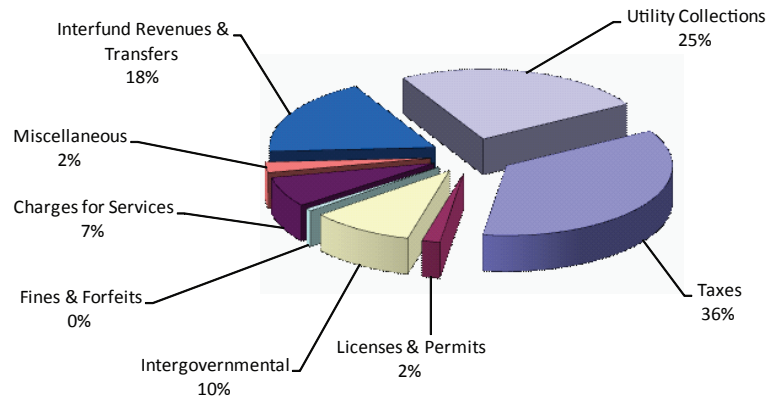
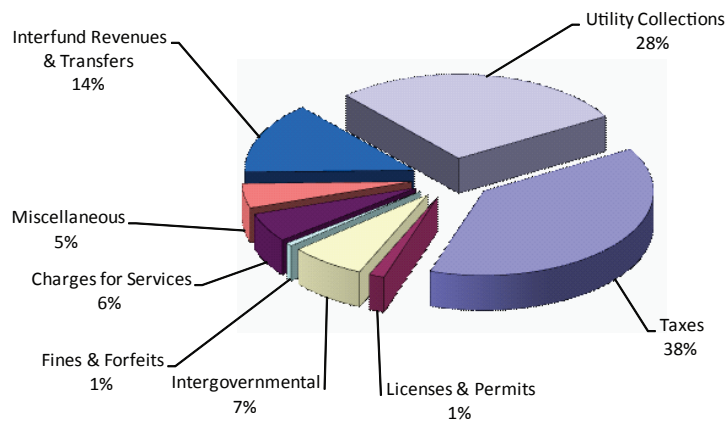


GENERAL FUND EXPENDITURE COMPARISONS

Expenditures	2009 + 2010 Actual	2011-2012 Biennial Budget	\$ Change	% Change
Salaries & Benefits	\$ 25,360,504	\$ 26,078,200	\$ 717,696	2.8%
Supplies	\$ 786,114	\$ 1,085,092	298,978	38.0%
Services & Contracts	\$ 3,855,132	\$ 4,981,433	1,126,301	29.2%
Intergovernmental	\$ 1,432,503	\$ 745,540	(686,963)	-48.0%
Interfund Transfers	\$ 2,944,151	\$ 2,993,926	49,775	1.7%
Capital Outlay	\$ 47,027	\$ 89,835	42,808	91.0%
TOTAL INFLOW	\$ 34,425,431	\$ 35,974,026	\$ 1,548,595	4.5%
Plus: Ending Fund Balance	3,007,503	1,557,686	(1,449,817)	-48.2%
TOTAL REVENUES BUDGET	\$ 37,432,933	\$ 37,531,712	\$ 98,779	0.3%

TOTAL OF ALL FUNDS

Revenue Analysis

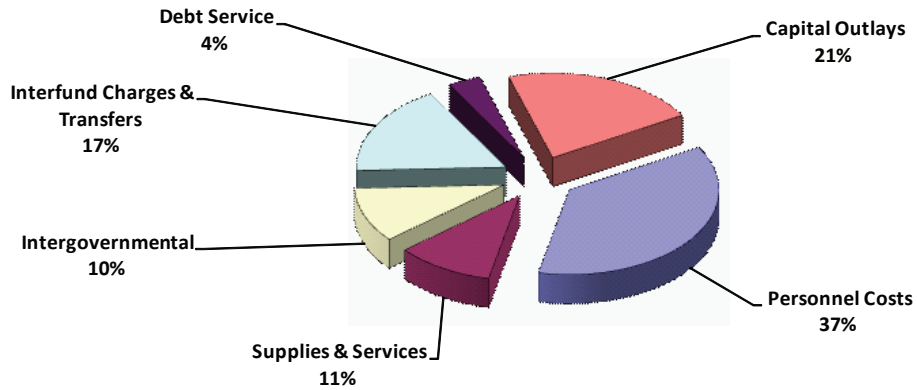
All Funds Revenues - 2009 + 2010 ActualAll Funds Revenues - 2011-2012 Biennial Budget

ALL FUNDS COMBINED REVENUE COMPARISONS

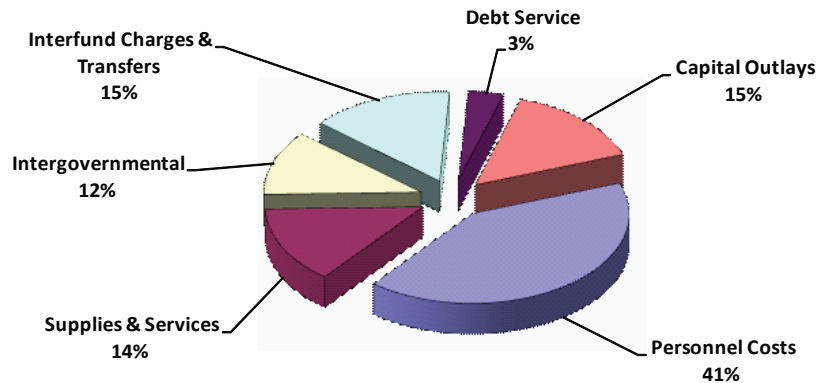
REVENUES	2009 + 2010 Actual	2011-2012 Biennial Budget	\$ Change	% Change
Taxes	\$ 29,155,180	\$ 30,450,778	\$ 1,295,598	4.4%
Licenses & Permits	1,436,346	1,177,894	(258,452)	-18.0%
Intergovernmental	8,231,720	5,698,367	(2,533,353)	-30.8%
Fines & Forfeits	480,252	503,900	23,648	4.9%
Charges for Services	5,716,413	4,413,998	(1,302,415)	-22.8%
Miscellaneous	1,989,292	3,728,001	1,738,709	87.4%
Interfund Revenues & Transfers	14,627,793	10,958,672	(3,669,121)	-25.1%
Utility Collections	20,213,988	22,348,049	2,134,061	10.6%
TOTAL INFLOWS	81,850,983	79,279,659	(2,571,324)	-3.1%
Plus: Beginning Fund Balance	30,202,611	16,894,055	(13,308,556)	-44.1%
TOTAL	\$ 112,053,594	\$ 96,173,714	\$ (15,879,880)	-14.2%

TOTAL OF ALL FUNDS Expenditure Analysis

All Funds Expenditures - 2009 + 2010 Actual



All Funds Expenditures - 2011-2012 Biennial Budget



ALL FUNDS COMBINED EXPENDITURE COMPARISONS

EXPENDITURES	2009 + 2010 Actual	2011-2012 Biennial Budget	\$ Change	% Change
Personnel Costs	\$ 33,147,919	\$ 34,156,129	\$ 1,008,210	3.0%
Supplies & Services	9,579,026	11,517,767	1,938,741	20.2%
Intergovernmental	9,466,558	9,663,947	197,389	2.1%
Interfund Charges & Transfers	15,632,177	12,183,572	(3,448,605)	-22.1%
Debt Service	3,244,730	3,013,233	(231,497)	-7.1%
Capital Outlays	19,375,476	12,248,103	(7,127,373)	-36.8%
Total Outflow	90,445,887	82,782,751	(7,663,136)	-8.5%
Plus: Reserve & Ending Fund Balance	22,671,280	13,390,963	(9,280,317)	-40.9%
TOTAL	\$ 113,117,167	\$ 96,173,714	\$ (16,943,453)	-15.0%

CITY OF TUMWATER

Projected Cash Flow Summary for 2011-2012 Adopted Biennial Budget

FUNDS BY TYPE	Beginning Fund Balance	+ Revenues (a)	= Total Resources	- Expenditures (b)	= Ending Fund Balance	Current Revenues (a) Less Expenditures (b)
General Fund						
General Fund	\$ 2,167,139	\$ 35,364,573	\$ 37,531,712	\$ 35,974,026	\$ 1,557,686	\$ (609,453)
Cumulative Reserve Fund	357,230	900	358,130	270,000	88,130	(269,100)
Special Revenue Funds						
E-Link & Fiber Fund	\$ 156,697	\$ 152,000	\$ 308,697	\$ 60,000	\$ 248,697	\$ 92,000
Domestic Violence Fund	5,757	1,300	7,057	-	7,057	1,300
Drug & Other Seizure Fund	90,107	4,000	94,107	40,500	53,607	(36,500)
Lodging Tax Fund	54,278	384,550	438,828	405,775	33,053	(21,225)
Development Fees Fund	937,034	1,084,247	2,021,281	1,943,247	78,034	(859,000)
Recreation Special Programs Fund	43,432	50,000	93,432	64,800	28,632	(14,800)
Parks Board Fund	-	25,000	25,000	25,000	-	-
Historical Commission Fund	-	30,000	30,000	30,000	-	-
K-9 Fund	2,254	200	2,454	-	2,454	200
Debt Service Funds						
General Obligation Debt Service Fund	\$ 164,899	\$ 1,026,675	\$ 1,191,574	\$ 1,050,026	\$ 141,548	\$ (23,351)
Capital Project Funds						
CFP - General Government Fund	\$ 396,164	\$ 4,349,889	\$ 4,746,053	\$ 4,624,819	\$ 121,234	\$ (274,930)
CFP - Transportation Fund	185,696	3,606,862	3,792,558	2,735,574	1,056,984	871,288
Proprietary Funds						
Water Utility Fund	\$ 3,212,884	\$ 8,643,412	\$ 11,856,296	\$ 10,685,985	\$ 1,170,311	\$ (2,042,573)
Sewer Utility Fund	3,981,507	12,950,175	16,931,682	11,716,109	5,215,573	1,234,066
Storm Utility Fund	2,126,633	2,961,592	5,088,225	3,877,274	1,210,951	(915,682)
Revenue Bond Utility Debt Service Fund	-	944,413	944,413	944,413	-	-
Revenue Bond Utility Debt Reserve Fund	478,006	-	478,006	-	478,006	-
Barnes Lake Management District Fund	10,181	36,000	46,181	27,495	18,686	8,505
Golf Course Fund	1,000	3,735,021	3,736,021	3,735,021	1,000	-
Internal Service Funds						
Equipment Rental & Reserve Fund	\$ 2,503,182	\$ 3,835,850	\$ 6,339,032	\$ 4,479,687	\$ 1,859,345	\$ (643,837)
Trust & Agency Funds						
Employee Flexible Benefits Fund	\$ 19,975	\$ 93,000	\$ 112,975	\$ 93,000	\$ 19,975	\$ -
Employee Holiday Assistance Fund	-	-	-	-	-	-
Police Reserves Fund	-	-	-	-	-	-
GRAND TOTAL	\$ 16,894,055	\$ 79,279,659	\$96,173,714	\$82,782,751	\$ 13,390,963	\$ (3,503,092)

UTILITIES FUNDS CASH FLOW

	2009 + 2010 Actual	2011-2012 Biennial Budget	\$ Change	% Change
BEGINNING CASH & INVESTMENTS	\$ 14,601,190	\$ 9,799,030	\$ (4,802,160)	-32.9%
<u>Revenues</u>				
Sales Revenue	\$ 18,161,205	\$ 20,927,480	\$ 2,766,275	15.2%
Other Operating Revenue	3,253,871	2,892,285	(361,586)	-11.1%
Interest Income	213,139	109,500	(103,639)	-48.6%
TOTAL REVENUES	\$ 21,628,215	\$ 23,929,265	\$ 2,301,050	10.6%
<u>Expenses</u>				
<u>Administration</u>				
Personnel Costs	\$ 1,003,688	\$ 1,395,681	\$ 391,993	39.1%
Supplies	50,198	153,505	103,307	205.8%
Services & Charges	376,331	661,923	285,592	75.9%
Interfund Charges	1,753,336	1,701,107	(52,229)	-3.0%
Administration Expenses	\$ 3,183,552	\$ 3,912,216	\$ 728,664	22.9%
<u>Operations</u>				
Personnel Costs	\$ 2,837,834	\$ 3,324,099	\$ 486,265	17.1%
Supplies	936,411	597,800	(338,611)	-36.2%
Services & Charges	9,212,516	10,373,835	1,161,319	12.6%
Interfund Charges	461,961	536,978	75,017	16.2%
Taxes	715,965	796,234	80,269	11.2%
Interest Expense	81,545	102,129	20,584	25.2%
Operations Expenses	\$ 14,246,231	\$ 15,731,075	\$ 1,484,844	10.4%
TOTAL EXPENSES	\$ 17,429,783	\$ 19,643,291	\$ 2,213,508	12.7%
NET CHANGE FROM OPERATIONS	\$ 4,198,432	\$ 4,285,974	\$ 87,542	2.1%
<u>Other Revenues & (Expenses)</u>				
(Increase)/Decrease Interfund Loan Activity	\$ (1,139,763)	\$ 330,914	\$ 1,470,677	-129.0%
Capital Outlays	(5,928,000)	(5,372,250)	555,750	-9.4%
Debt Service	(1,184,850)	(996,322)	188,528	-15.9%
OTHER REVENUES & (EXPENSES)	\$ (8,252,614)	\$ (6,037,658)	\$ 2,214,956	-26.8%
ENDING CASH & INVESTMENTS	\$ 10,547,008	\$ 8,047,346	\$ (2,499,662)	-23.7%

BACKGROUND

Tumwater, known as the end of the Oregon Trail or Cowlitz Trail, is the oldest permanent American settlement on Puget Sound. It is located at the mouth of the Deschutes River where it meets with Puget Sound at its most southerly point. The City of Tumwater is adjacent to and shares a portion of its boundaries with the State Capital (Olympia). The Coastal Salish Indian groups whose descendants are now members of the tribes now known as Nisqually, Squaxin Island, and Chehalis gathered shellfish and frequented the inlets and prairies of Puget Sound for centuries before Euro-American exploration and settlement. The rivers of the County were long-established sites for salmon harvesting, the prairies were popular hunting and plant harvesting sites, and the beaches were replete with shellfish, harvested by native peoples.

Michael T. Simmons, in 1845, led the first group of permanent American settlers to Tumwater Falls. He settled in the area that would become Tumwater while others in the party, including George Bush, a mulatto man, and his family, settled in the rich prairies to the south. The decision of this group to settle north of the Columbia River was made in part because Oregon Provisional Government laws banned the residency of mulattoes but did not actively enforce the restriction north of the river. The 31 members of the Simmons party laboriously cut a wagon trail that became the northern branch of the Oregon Trail. Others followed, with the establishment of Olympia in 1850 and settlement of the natural prairies and river bottom lands throughout the county in the 1850's.

When the City was founded in 1845, it was named New Market. By 1863 the city was known as "Tumwater", the Chinook translation for a waterfall.

Tumwater's motto, "Washington's First Community," was the starting point for further American settlements at Olympia, Seattle, Whidbey Island, and other points on Puget Sound. It was from Puget Sound that the movement to divide Oregon grew, resulting in the creation of Washington Territory in 1853.

On November 25, 1869, Tumwater was officially incorporated as a fourth class town. In 1964, the voters of Tumwater elected to change the classification to a third class city. In 1994, the Tumwater City Council opted to change, by Ordinance, the classification to a non-charter code city with a Mayor-Council form of government. The Mayor and seven Councilmembers are elected by the registered voters of the City to staggered four-year terms.

Tumwater is the third largest city in Thurston County with an official population of 17,371. Tumwater covers over 14.5 square miles. It ranks 57th among the 281 cities in the State of Washington and is one of the 191 cities that are code cities. The City provides what are considered general governmental services authorized by state law, including public safety, highways and streets, parks and recreation, planning and zoning, permits and inspections, general administration and water, sewer and stormsewer services. The City is served by congressional districts 3 and 9 and legislative districts 20, 22 and 35.



BUDGETING OVERVIEW

Budgeting is an essential element of the financial planning, control, and evaluation processes of government. The planning process involves determining the types and levels of services to be provided and allocating available resources among various departments, programs or functions. To develop the best planning document possible, the City is introducing its first biennial budget with this 2011-2012 Biennial Budget. The process of planning multiple years is especially valuable during this challenging economic downturn.

Financial control and evaluation procedures typically focus upon assuring that fixed expenditure limitations (appropriations) are not exceeded, and on comparing estimated and actual revenues and expenditures. Shortcomings in the second year can be minimized by planning on a longer horizon as we do with this biennial budget.

Upon adoption, the expenditure estimates, as modified by the Council are enacted into law through the passage of an appropriations ordinance. The appropriations constitute maximum expenditure authorizations during the biennium, and cannot legally be exceeded until subsequently amended by the Council. Expenditures are monitored through the accounting system to assure budgetary compliance.

The City of Tumwater's accounting and budgeting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities. The funds are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds are budgeted on a cash basis in accordance with the Revised Code of Washington (RCW) 36.33. The City uses a line-item budget approach and uses that level of detail as a backbone to the actual budget document. Legal budgetary control is established at the fund level. Expenditures for a fund may not exceed that fund's total appropriation amount. The City Council can authorize an increase in the total fund appropriation by way of adopting an amending budget ordinance. Any unexpended appropriation lapses at year-end.

While typically thought of as a financial activity done to satisfy state law, budgeting is the process of planning. The processes of budgeting will not only allocate fiscal resources to meet needs and provide services, but will set a direction for the future. The elements of good planning include identifying community needs, city resources, the capability to meet community needs, and a plan to match such resources to the needs. Concurrent with this process is the City's Capital Facilities Plan (CFP), an element of the Growth Management Act (GMA). This plan has significant requirements in the area of facilities planning and capital improvement financing. The City updates the CFP on the even year of the biennium.

The GMA exists to ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time it is available for occupancy and use, without decreasing current service levels below locally established minimum standards.



Since the Growth Management Act (GMA), the long-term planning of the operations portion of the budget has significantly changed. Those involved are forced to look at the implications and costs of additional facilities.

At the end of this document the overview of each category of the CFP is included. These overviews list the facilities and/or infrastructure projects to be built in what year and total cost. Each category lists the type of revenue source.

Additionally, in the water, sewer and stormwater categories, the bottom portion of the sheet shows the total fund operations cost through the year 2016. Rate setting and connection or access fee increases are disclosed indicating the costs to maintain the capital programs and thereby increased operational costs. This allows the decision-makers and the ratepayers to realize the significance of each decision on implementation of the capital programs.

The City's budget is on a cash basis in accordance with the Revised Code of Washington (RCW) 36.33. The City uses a line-item budget approach and uses that level of detail as a backbone to the actual budget document. Legal budgetary control is established at the fund level. Expenditures for a fund may not exceed that fund's total appropriation amount. The City Council can authorize an increase in the total fund appropriation by way of adopting an amending budget ordinance. Any unexpended appropriation lapses at year-end.

BUDGET PROCESS

This budget document is developed in a manner to study and review the direction of the City of Tumwater. This document outlines the manner in which financial resources will be managed during the biennium. It additionally allows departments the opportunity to reassess goals and objectives and the means for accomplishing them.

The course the City is taking can be changed through the allocation of financial resources. The major groups who participate in the budget process are the City Administrator, Management Team, City committees and Commissions, city staff, and interested Tumwater citizens. Because a diverse audience reads the budget document, the budget must describe clearly and completely the nature and scope of policies, plans and programs for the biennium. It must communicate this information at different levels and for different purposes. One of the most important functions of the budget document is to describe future implications and relationships of policies, plans and programs to members of the public. The budget document is an opportunity for the public to acquire background information necessary to provide meaningful comment and feedback to members of the City Council and City staff.

The City of Tumwater's budget process is designed to provide the essential structure for the financial planning, control, and evaluation process of government, presenting a forecast of expected resources and the purposeful distribution of those resources. Once adopted, the budget is a formal expression of public policy on the City's objectives and prioritizes and on how resources will be provided to meet those objectives.

Policy/Strategy Phase



The Council's goals and directives set the tone for the development of the budget. Annually, the Mayor and Council meet at a retreat in early spring to identify priorities, issues, and capital project prioritization and the timing of these issues and impacts on the next biennium's budget. At that retreat the Mayor and Council identify key policy issues that will provide the direction and framework of the budget or, in the case of the second year, modifications to the existing two-year budget. It is within this general framework that the Management Team knows the direction for their submittals. Aside from the Council's and Mayor's own objectives, the members of the Management Team identify and discuss their own policy issues with the City Administrator.

The budget instructions sent out by the Finance Director include discussions of the City goals and objectives, budgeting guidelines for the operating and capital budgets, timelines, an overview of fiscal constraints, and resources available for allocation. The budget instructions distributed are designed to assist the Management Team in preparing all budget requests and forms.

Needs Assessment Phase

The Management Team has an opportunity to assess current conditions, programs and needs. Examination of current programs is strongly suggested. During this phase the Management Team is encouraged to thoroughly review all programs and services assessing their "value" and priority to the citizens of Tumwater. They then attempt to provide the "best fit" of resource allocations with services and workload estimates. From this process, they prepare preliminary budget submittals. The submittals from the management team are in two formats; the "base" budget and the "enhanced" budget. The base budget provides for the minimum acceptable level of ongoing services and includes inflationary increases and other contractual obligations. The enhanced budget is new programs, or expanded emphasis on ongoing programs. Both budget approaches may include policy direction from the legislative body.

Review/Development Phase

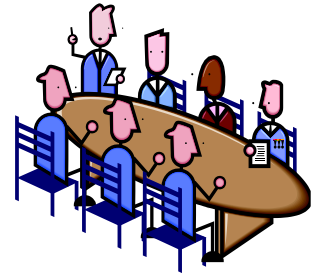


In September, the proposed budget is presented to the Mayor along with the forecasted revenue assumptions. Within the framework of the City's financial capacity, priorities, goals and objectives the Mayor and City Administrator review the budget submittals and the operating budgets begin to take shape. The Mayor and City Administrator make any revisions or additions to the proposed budget as deemed advisable in preparation of the Mayor's preliminary budget to the Budget Committee. Next, the Budget Committee reviews the Mayor's preliminary budget during the month of October. At the Budget Committee level, the Management Team's budget plan for the ensuing year is presented which includes program planning enhancements and project timing.

Adoption/Implementation Phase

After the final appropriations are made at the Committee level, the Mayor's budget is presented to the full Council during several work sessions in November. It is then scheduled for a public hearing and a second reading. The public hearing typically occurs in late November with a tentative proposal and adoption date in early December with a second reading to the Council.

This biennial budget was adopted at the regularly scheduled Council meeting of December 9, 2010. It can be changed (amended) at any time after it is adopted by the City Council passing another ordinance in an open public meeting. Normally, the budget is reviewed during the year to identify any adjustments. By law, the City Council must adopt a "Mid-biennial Review and Modification" during the last four months of the first year of the budget.



REVENUE SECTION

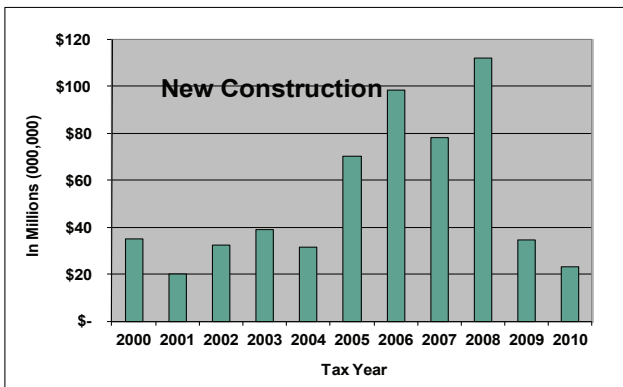
Property Tax

Initiative 747 was a statewide property tax initiative that amended the existing laws that provides property tax relief to owners of both real and personal property. The initiative provided for indirect property tax relief by restricting property tax levies to an increase of one-percent. A levy is the amount of a taxing district's budget that is generated by property tax. Levies can be increased by more than one percent only when a majority of the voters within the taxing district approve the budgetary increase. Prior to Initiative 747, taxing districts could increase the regular levy portion of their budgets by six (6) percent. Now the limit for increases to the property tax portion of the regular levies is one (1) percent. I-747 does not affect special levies that are approved by voters, such as the School District's maintenance and operation bonds and the City's Headquarters Fire Station and Library Construction bonds.

In 2011, property tax revenue included an increase of \$33,351 based on the allowed measure of inflation. The new construction assessed valuation addition for the year was \$23,150,350. This will add \$43,969 in additional property tax. The city's total assessed valuation for 2010 is \$2,301,89,103 which equates to a total amount of property tax assessed to be collected in 2011 of \$4,875,839. The city's regular levy rate in 2011 is \$2.1182 per \$1,000 compared to the levy rate for 2009 of \$1.8988 per \$1,000. Statute does not allow a city to levy more than \$3.10 per \$1,000 of assessed valuation.

New Construction Assessed Value Added

2000	\$35,233,831
2001	\$20,057,781
2002	\$32,642,626
2003	\$38,915,548
2004	\$31,517,662
2005	\$70,496,261
2006	\$98,635,925
2007	\$78,183,425
2008	\$111,942,656
2009	\$34,568,194
2010	\$23,150,350



Tax Year	Assessed Valuation	Property Tax	Rate Per \$1,000
2007	\$1,777,281,820	\$3,641,393	\$2.049
2008	\$2,051,638,822	\$3,864,479	\$1.884
2009	\$2,472,464,185	\$4,593,528	\$1.858
2010	\$2,484,891,522	\$4,718,388	\$1.899
2011	\$2,314,569,680	\$4,875,839	\$2.118

2011 Property Tax Comparisons

City	Rate
Lacey	\$1.086
Olympia	\$2.231
Tumwater	\$2.107

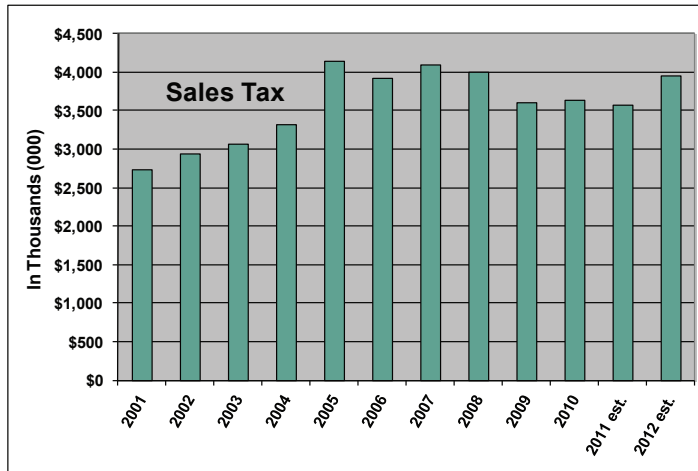
Property Tax Rate by Taxing District

Taxing District	2007	2008	2009	2010	2011
City of Tumwater - General	\$2.049	\$1.884	\$1.858	\$1.899	\$2.107
City of Tumwater - Voted	\$0.057	\$0.136	\$0.163	\$0.142	\$0.163
Thurston County	\$1.212	\$1.083	\$1.080	\$1.141	\$1.251
Medic One	\$0.336	\$0.290	\$0.289	\$0.305	\$0.337
Timberland Regional Library	\$0.390	\$0.342	\$0.329	\$0.339	\$0.357
Port of Olympia	\$0.186	\$0.152	\$0.150	\$0.158	\$0.172
PUD #1	\$0.009	\$0.008	\$0.008	\$0.008	\$0.001
Tumwater School District	\$4.482	\$4.161	\$4.016	\$4.517	\$4.851
Washington State	\$2.334	\$2.005	\$1.921	\$2.062	\$2.226
Total	\$11.055	\$10.061	\$9.814	\$10.569	\$11.464

Retail Sales & Use Tax

Retail Sales and Use Tax consists of two portions. First, a local tax of one-half of one percent less fifteen percent paid to the county, and second, is an "optional" one-half of one percent that also includes the fifteen-percent county share. This was authorized by the State Legislature in

1982 and further authorized by the city and provided for in Tumwater Municipal Code Chapter 3.24. The sales tax was adopted in 1935 as an integral part of the Washington State Revenue Act.



Sales Tax

Year	Received
2001	\$2,728,877
2002	\$2,935,817
2003	\$3,058,779
2004	\$3,322,842
2005	\$4,131,755
2006	\$3,916,176
2007	\$4,089,525
2008	\$3,994,637
2009	\$3,594,977
2010	\$3,637,107
2011 est.	\$3,571,282
2012 est.	\$3,948,707

Tumwater Sales Tax Revenue collections in 2010 increased to \$3,637,107 from \$3,594,977 collected in 2009. Revenue had been declining from the peak in 2007 as the economy was heading toward a major recession. The forecast for 2011 is that this revenue source will again remain flat or slightly increasing. It is a difficult time to predict the reaction to the economic climate.

Sales Tax Rates

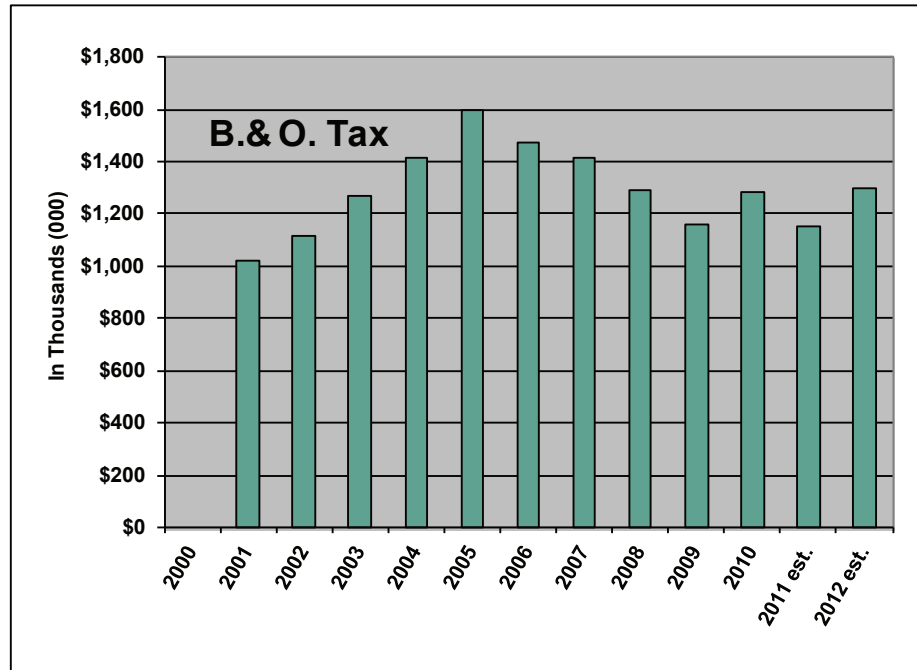
State	\$0.065
Intercity Transit	\$0.008
Criminal Justice	\$0.001
County - Juvenile Detention	\$0.001
County - Mental Health	\$0.001
Tumwater	\$0.010
Emergency Communications (911)	\$0.001
Total	\$0.087

State Sales Tax Rate

Year	Rate
1935	2.0%
1941	3.0%
1955	3.3%
1959	4.0%
1965	4.2%
1967	4.5%
1976	4.6%
1979	4.5%
1981	5.5%
1982	5.4%
1983	6.5%



B&O Tax	
Year	Received
2001	\$1,023,602
2002	\$1,117,075
2003	\$1,267,727
2004	\$1,414,552
2005	\$1,593,516
2006	\$1,473,325
2007	\$1,412,399
2008	\$1,291,216
2009	\$1,156,483
2010	\$1,284,689
2011 est.	\$1,150,000
2012 est.	\$1,300,000



Business & Occupation (B&O) Tax

Business and Occupation Tax was imposed in 1978 with the adoption of Tumwater Municipal Code Chapter 5.08. This tax applies to the gross revenues of most businesses with a rate of one-tenth of one percent, except those engaged in the business of rendering any type of service shall pay at the rate of two-tenths of one percent. This tax is due and payable in quarterly installments: January, April, July and October. As with sales tax, this revenue source has been on the decline since 2007 and is slowly increasing once again. The effects of legislation known as the “Model Ordinance” which necessitated a state mandated change to our municipal code changing the methods of calculating this tax as well and the general economic climate during this recession have changed this revenue trend to a greater degree than sales tax.

State Shared Revenues

State shared revenues are made up of gasoline taxes, and liquor receipts (profits and excise taxes). These taxes are collected by the State of Washington and shared with local governments based on population. Although population is slowly increasing, the revenue from gasoline tax is not expected to increase as citizens purchase less fuel because of economic conditions and the rising cost of gasoline.

Liquor Receipts Profits and Taxes

Since cities and towns are responsible for the policing of liquor establishments located within their limits, but are precluded from taxing them because of the state liquor monopoly, the law provides that a share of the state-collected profits and taxes be returned to cities and towns to help defray the cost of policing liquor establishments.

Liquor Board profits consists of the difference between revenue from state liquor stores, taxes on wine and beer, license fees, penalties and forfeitures and board expenditures. Except for monies from administrative fees and those attributable to Class H licenses, the profits are divided among the state, counties and cities and towns.

Cities and towns get a 40 percent share. An additional amount is distributed to border area cities and towns. Cities and towns also receive 28 percent of the liquor excise tax receipts. To be eligible to receive liquor taxes and profits, a city or town must devote at least 2 percent of its distribution to support an approved alcoholism or drug addiction program. The city conforms to these terms through our participation in the County's program. These numbers, of course, are an estimate based upon economic factors presented to the various state agencies

Motor Vehicle Fuel Excise Tax / Gas Tax

Because the federal and state governments have pre-empted the taxation of gasoline, the state has provided that the state collected gasoline tax, be shared with cities and towns. The tax rate for a gallon of gasoline or diesel is now at \$0.34 per gallon. This is part of the "Nickel Funding Package" enacted for transportation by the 2003 Washington State Legislature. Of this amount, after a number of deductions, cities and towns receive 6.92 percent to be deposited in a street fund to be used for street maintenance. Until 2005, cities have been receiving their gas tax in two separate distributions. One is called the "restricted" portion, which is approximately 32% of the total gas tax a city receives. The other portion is called the "unrestricted" portion. With the passage of SSB 5969, there are no longer two distributions, and in addition, the restriction is removed. Although, the dollars must be used for "road or highway purposes", there is no longer a need to separate the monies. In the past, the City of Tumwater placed the "restricted" portion in the transportation capital program of the Capital Facilities Plan, and the unrestricted portion remained in General Fund to support the general street program. This is now a policy decision and the city will continue to place the funding in the same allocation format.

Criminal Justice Revenues

The Washington State Legislature approved the Criminal Justice Funding Act in a special session of the Legislature July 1990. The principal focus of the Act is to provide funding for county and city criminal justice systems.

The State Legislature declared that local government criminal justice systems were in need of assistance. This is to provide sufficient funding for police protection, mitigation of congested court systems, and relief of over-crowded jails. In order to ensure public safety, it was necessary to provide fiscal assistance to help local governments to respond immediately to those criminal justice problems.

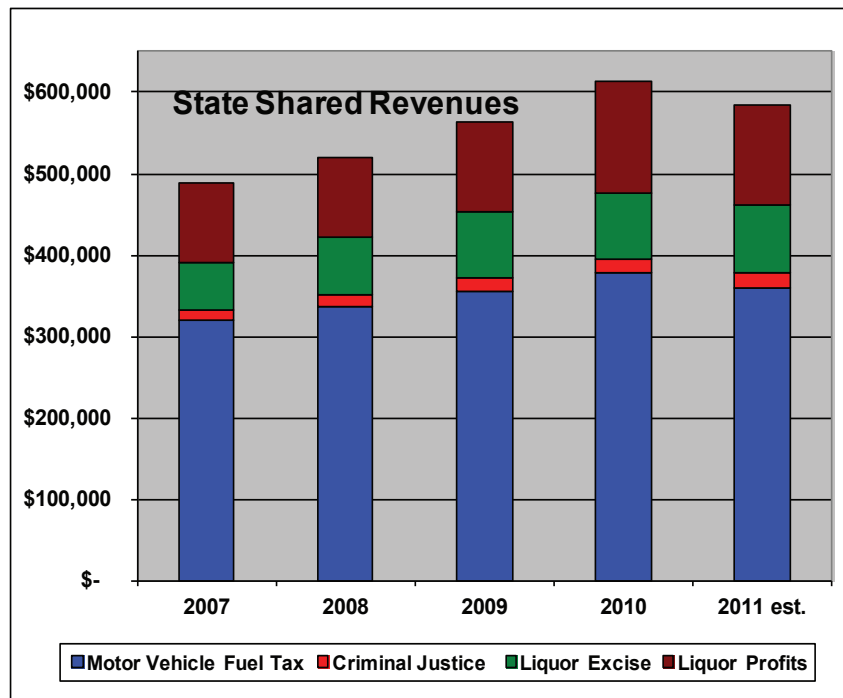
Under the Act, beginning in July of 1990, quarterly distributions of state general fund monies are based upon eligibility and distribution criteria that include population; crime rate, local sales tax levy rate and local sales tax yield. Further, under the Act, certain counties have the authority to collect an additional local optional sales tax,





if approved by the voters. Thurston County voters approved the optional sales tax in November of 1990. The sunset clause of the original Criminal Justice Act (July 1990) was removed with the adoption of HB 1128 July 1, 1993. However, most of the “low impact” or “low crime” funding will no longer be awarded solely on the basis of population. This legislation has targeted certain kinds of programs.

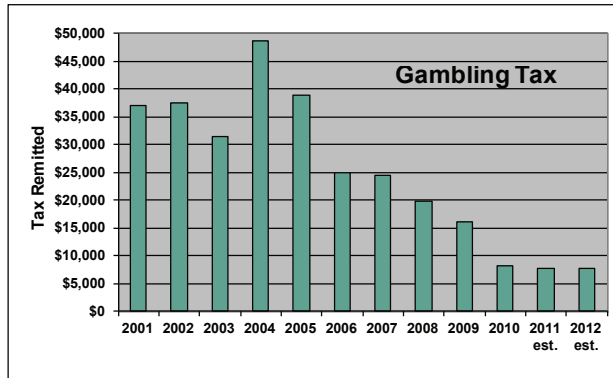
With the passage of SSB 5780 in 2003, this revenue will now be distributed on a per capita basis, with each City receiving a minimum of \$1,000, no matter how small their population. No longer is there an allocation by certain percentages to innovative law enforcement, domestic violence prevention, and child abuse prevention programs, with the additional requirement that the cities send in funding requests to the Department of Commerce. There is, though, a requirement that these funds be spent on some combination of innovative law enforcement, domestic violence prevention, and child abuse prevention programs, but no requirement of how much must be spent in each area. All the money can be spent in one area if the City wishes.



Per Capita Amounts of State Shared Revenues					
	2007	2008	2009	2010	2011 est.
Gas Tax (NEW unrestricted)	\$24.19	\$22.82	\$22.21	\$22.63	\$21.44
Profits of Liquor Board	\$7.33	\$6.73	\$6.67	\$8.23	\$7.34
Liquor Tax	\$4.55	\$4.80	\$4.90	\$4.78	\$4.98
Criminal Justice - Population-based	\$0.24	\$0.23	\$0.24	\$0.24	\$0.24
Criminal Justice - Special Programs	\$0.77	\$0.79	\$0.81	\$0.81	\$0.81
Total	\$37.08	\$35.37	\$34.83	\$36.69	\$34.81

Gambling Tax

The City receives gambling excise tax at the rate of 5 percent of gross receipts less prizes for bingo games, and raffles, 2 percent of gross receipts less prizes for amusement games, and 3 percent of gross receipts for punch-boards or pull-tabs. Authorizing legislation is RCW Chapter 9.46 and Tumwater Municipal Code (TMC) Chapter 3.04. The decline in the number of establishments offering pull-tabs as a form of amusement has caused this source of revenue to decline to less than half of its peak of \$48,777 in 2004 to a projected \$15,500 for the 2011-2012 biennium. The growth in the tribal casino industry has precipitated this decline.



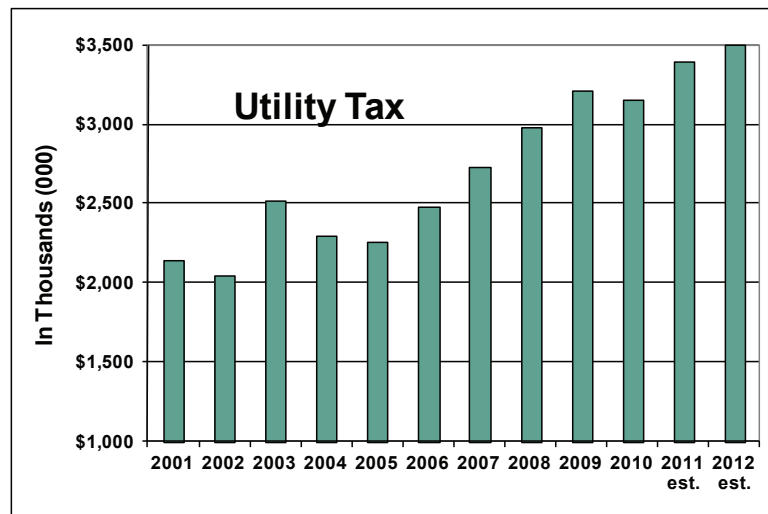
Gambling Tax	
Year	Received
2001	\$37,010
2002	\$37,430
2003	\$31,477
2004	\$48,777
2005	\$38,803
2006	\$25,027
2007	\$24,382
2008	\$19,890
2009	\$16,166
2010	\$8,269
2011 est.	\$7,750
2012 est.	\$7,750

Utility Tax

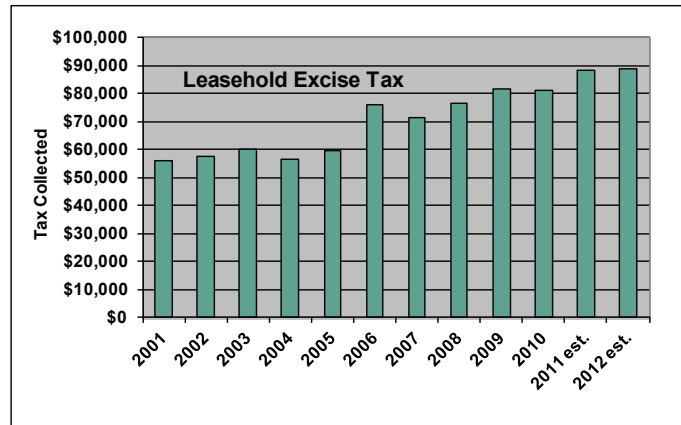
The City imposes a utility tax (TMC Chapter 3.28) on land line and cellular telephones, pagers, telegraph, electrical energy, natural gas, brokered natural gas, solid waste, water, sanitary sewerage, and storm drainage at the rate of 6%. During the 2011-2012 biennium, the Council policy direction is that two thirds of the revenue is to be for general fund support and the other one third is for two elements (General Governmental and Transportation) of the Capital Facilities Plan in the Capital Improvement Fund.



Utility Tax	
Year	Received
2001	\$2,140,582
2002	\$2,048,605
2003	\$2,514,749
2004	\$2,293,122
2005	\$2,257,838
2006	\$2,480,484
2007	\$2,727,792
2008	\$2,982,034
2009	\$3,210,481
2010	\$3,154,178
2011 est.	\$3,396,193
2012 est.	\$3,498,996



Leasehold Excise Tax	
Year	Received
2001	\$55,822
2002	\$57,835
2003	\$60,019
2004	\$56,563
2005	\$59,397
2006	\$76,079
2007	\$71,576
2008	\$76,602
2009	\$81,626
2010	\$81,037
2011 est.	\$88,250
2012 est.	\$88,800



Leasehold Excise Tax

Most leases of publicly-owned real and personal property in the state are subject to a leasehold excise tax in lieu of a property tax. The State Legislature in 1976 established a 12 percent tax to be levied on the contract rent. In 1987, the State Legislature increased the rate to a total of 12.84 percent.

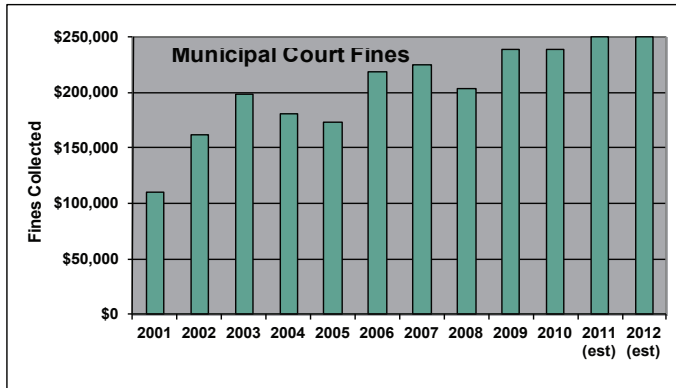
Cities and counties may collectively levy up to 6 percent of the 12.84 percent. The maximum rate for cities is 4 percent and, if a city levies this amount, the county can levy only 2 percent on leaseholds in the incorporated areas. If a city chooses not to levy its maximum, the county captures the difference to the 6 percent.

The City of Tumwater imposes the leasehold excise tax (TMC Chapter 3.08) at the rate of 4 percent. Doing so does not affect the rate that leaseholders must pay; it simply determines who gets the money.

This money is primarily derived from the State of Washington for leasing office space for State agencies and the Port of Olympia properties at the Olympia Regional Airport.

Municipal Court Fines

Although the State Supreme Court establishes the schedule of fines for traffic infractions in the Washington Model Traffic Ordinance RCW Chapter 46.90 cities and towns share in the revenue for infractions committed within their boundaries. After the Tumwater municipal court collects the fines, thirty-five percent is sent to the state. The remainder is deposited in the General Fund. The City also collects fines/penalties for the enforcement of all Tumwater code violations, and the Criminal Code Title 9 of the TMC.



Municipal Court Fines

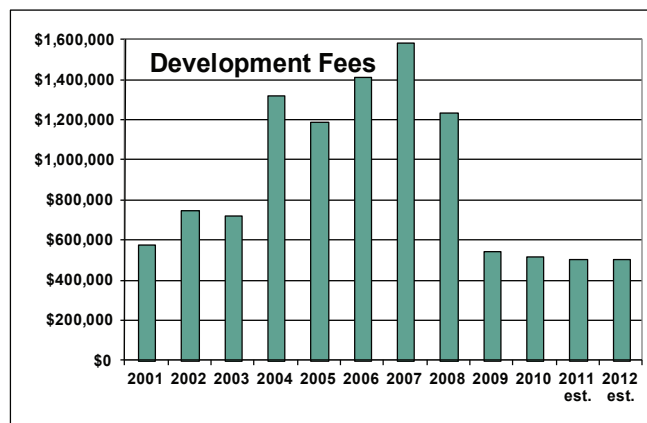
Year	Received
2001	\$110,607
2002	\$162,497
2003	\$198,165
2004	\$181,229
2005	\$173,011
2006	\$218,553
2007	\$225,720
2008	\$203,597
2009	\$239,150
2010	\$238,912
2011 (est)	\$249,950
2012 (est)	\$249,950

BUILDING PERMIT TOTALS

Year	Number	Valuation
2001	787	\$36,270,151
2002	623	\$34,397,935
2003	679	\$41,746,911
2004	968	\$101,888,704
2005	995	\$94,497,854
2006	1,086	\$62,799,260
2007	1,395	\$60,036,079
2008	1,018	\$84,852,657
2009	749	\$20,639,627
2010	665	\$57,295,815

Licenses, Permits & Fees

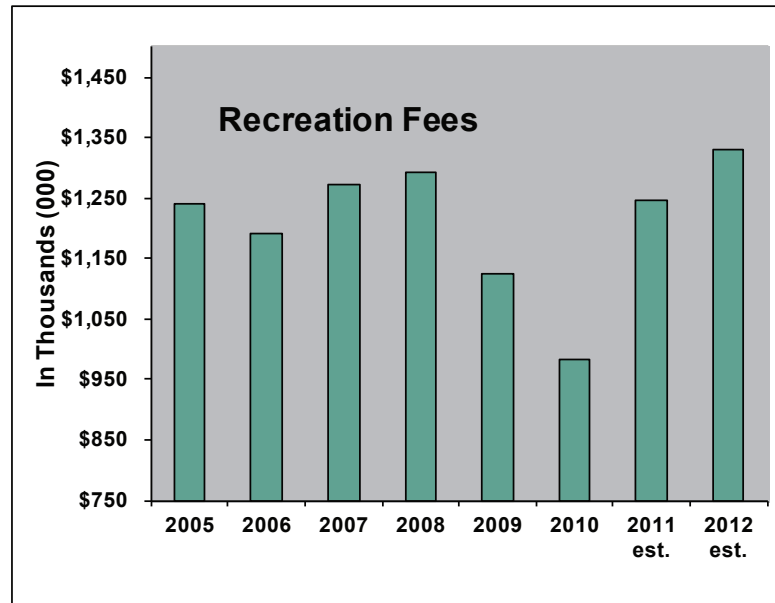
The City collects fees and charges for services on a wide array of areas. Those are business license fees, cablevision franchise fees, building permit fees, plan check fees, utility plan check fees, street vacations, platting and zoning fees, intergovernmental and interdepartmental fees for services, recreational fees, park user fees, and sale of merchandise. In the Recreation category, the revenues are generated from various sources include the fees charged for the Tumwater Valley golf course. The chart depicts the types and amounts over the past few years.



Charges for services are collected and include in-house Financial and Records Management Services, Administrative/ Legal and Personnel Services, and Facilities Services. These services are funded and accounted for within the General Fund. Each fund utilizes these services and is therefore charged its prorated share, based on the FTE's within that Fund/Activity.

Development Fees (Permit Fees)

Year	Received
2001	\$577,175
2002	\$751,054
2003	\$720,200
2004	\$1,320,460
2005	\$1,191,817
2006	\$1,416,161
2007	\$1,584,349
2008	\$1,237,844
2009	\$546,064
2010	\$517,626
2011 est.	\$506,000
2012 est.	\$507,800



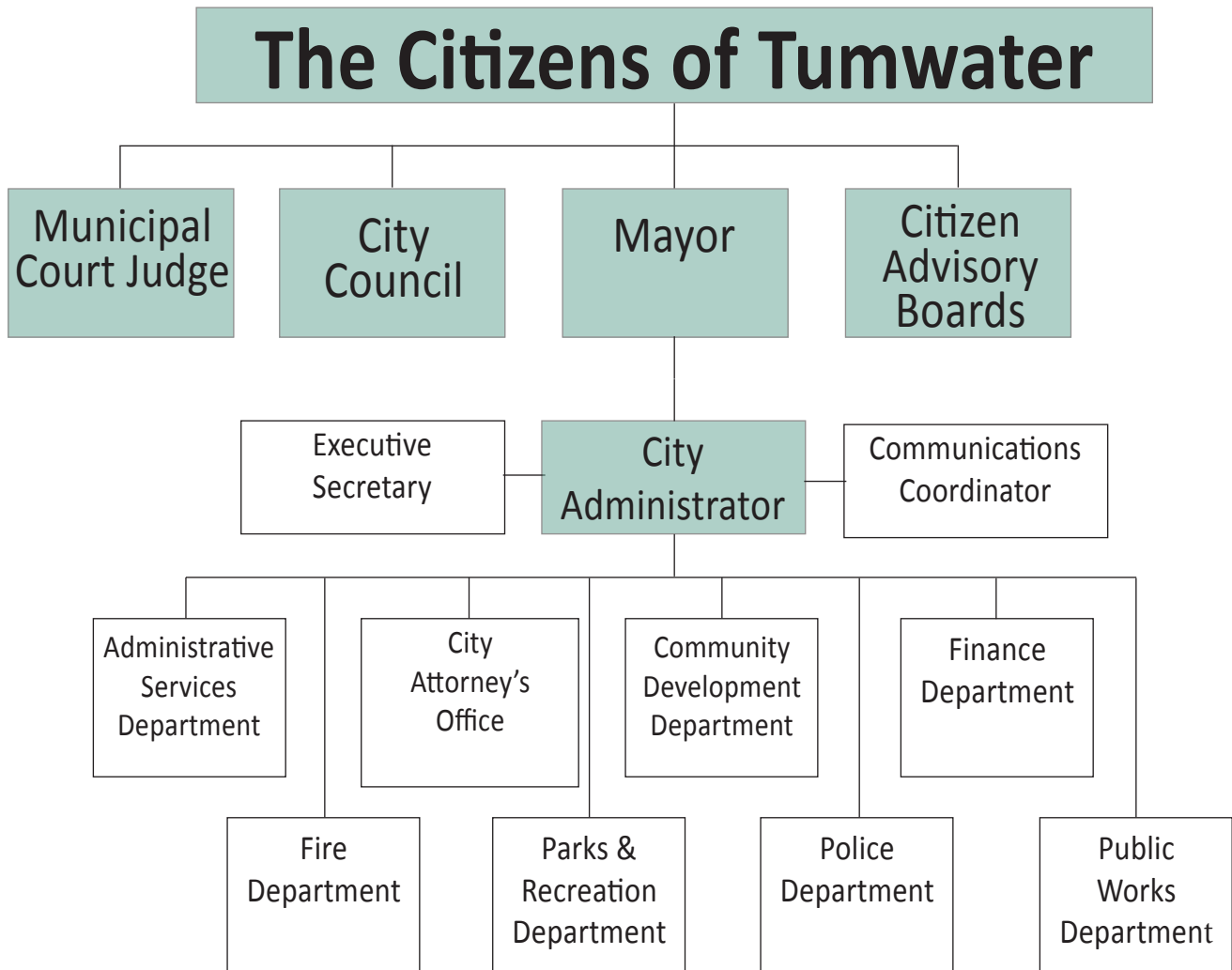
Recreational Fees								
Type	2005	2006	2007	2008	2009	2010	2011 est.	2012 est.
Ballfield User	\$13,288	\$12,248	\$11,455	\$27,050	\$21,753	\$18,023	\$15,000	\$15,000
Historical Park Shed	\$4,950	\$4,910	\$11,670	\$5,025	\$5,355	\$5,100	\$6,500	\$6,500
Recreational Classes	\$108,388	\$123,020	\$121,488	\$115,414	\$112,112	\$148,090	\$110,000	\$110,000
Golf Green Fees	\$654,037	\$632,862	\$684,128	\$673,241	\$619,030	\$506,346	\$645,000	\$693,375
Cart Rentals	\$140,099	\$141,974	\$119,259	\$115,941	\$114,606	\$95,834	\$124,163	\$133,475
Restaurant/Concession	\$45,413	\$42,862	\$43,166	\$35,846	\$6,652	\$0	\$50,812	\$54,839
Pro Shop Sales	\$185,596	\$163,312	\$208,402	\$231,450	\$161,911	\$143,268	\$199,413	\$214,369
Driving Range	\$88,519	\$69,015	\$74,508	\$89,142	\$82,755	\$65,633	\$96,750	\$104,006
Total	\$1,240,291	\$1,190,203	\$1,274,076	\$1,293,109	\$1,124,174	\$982,294	\$1,247,638	\$1,331,564

Intergovernmental Contracts

The City Fire Department provides fire and medic services through an intergovernmental contract with the Munn Lake Fire District 15. The contract requires the district to assess \$1.00 per \$1,000 assessed valuation, but because of the new limit increase on property tax with I-747 the rate for 2011 is \$0.65098. The current assessed valuation of the district is \$141,825,884 and will generate \$92,326, whereas in 2010 the District generated \$85,350.

The City also participates in the Thurston County Medic 1 program and receives reimbursement of 80% of all personnel and personnel related costs of paramedics. In 2008, the city began the transition to fully operate the SPRINT medic unit, which is located south of the city limits. The staffing for that location will ultimately add seven paramedics to the city's staff, and those paramedics' personnel costs are reimbursed at 100%. Due to this contract change with Thurston County Medic 1, our reimbursement rate has increased dramatically to an estimate of \$3,629,174 during the 2011-2012 biennium.

THE ORGANIZATION OF THE CITY OF TUMWATER



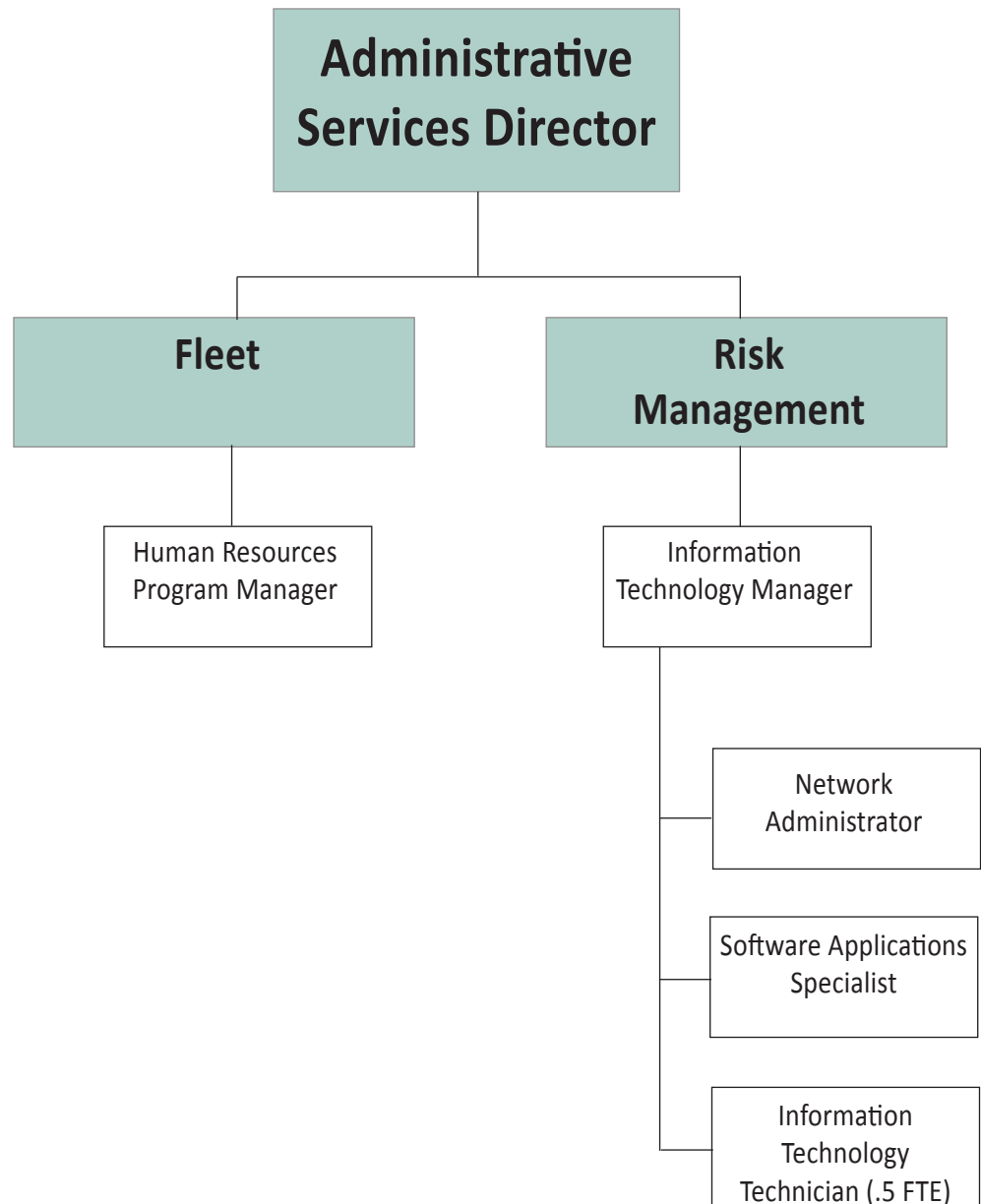
ADMINISTRATIVE SERVICES

DEPARTMENT

Organizational Chart

FUNCTIONS

- ◆ Employee Relations
- ◆ Labor Relations
- ◆ Benefit Administration
- ◆ Classification Administration
- ◆ Recruitment and Selection
- ◆ Organizational Analysis
- ◆ Safety Administration
- ◆ Civil Service Administration
- ◆ Cable Television Administration
- ◆ ADA Coordination
- ◆ Commute Trip Reduction Program
- ◆ Tumwater TV Operation
- ◆ Right of Way Agreements & Franchises
- ◆ Title VI Non-Discrimination Compliance
- ◆ Domestic Partnership Registration



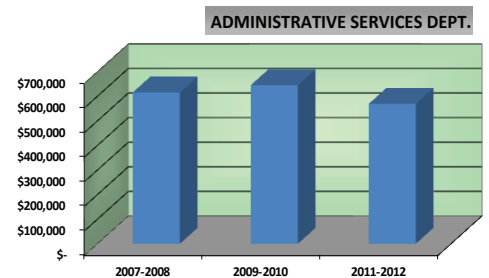
ADMINISTRATIVE SERVICES DEPARTMENT

The Administrative Services Department was formed in January, 2011 to consolidate the administration of human resources, information technology, risk management and asset management. Within these broad categories the department conducts activities such as recruitment and selection of employees, safety administration, employee benefit programs, labor negotiations, safety programs, commute trip reduction, civil service administration, use of the right of way by telecommunication and cable companies, fleet management, computer network administration, computer work station replacement and repair, central telephone services, insurance requirements and software support and development. The department includes 4.5 staff in 2011.



HUMAN RESOURCES MANAGEMENT

Human resources management activities include recruitment and selection of employees, labor relations and negotiations with three different bargaining units, operation and maintenance of the City's civil service system, administration of the City's employee benefit program, classification and pay administration, employee relations, personnel policy development and administration, equal employment opportunity administration and coordination of the City's compliance with the American's with Disabilities Act (ADA).



Performance Measures/Activity <i>Administrative Services</i>				
	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Job Recruitments	82	73	70	140
Enrollees in City's Commute Trip Reduction Program	31	34	27	30
Lost Work Days (due to on-the-job injuries)	89	16	193	0

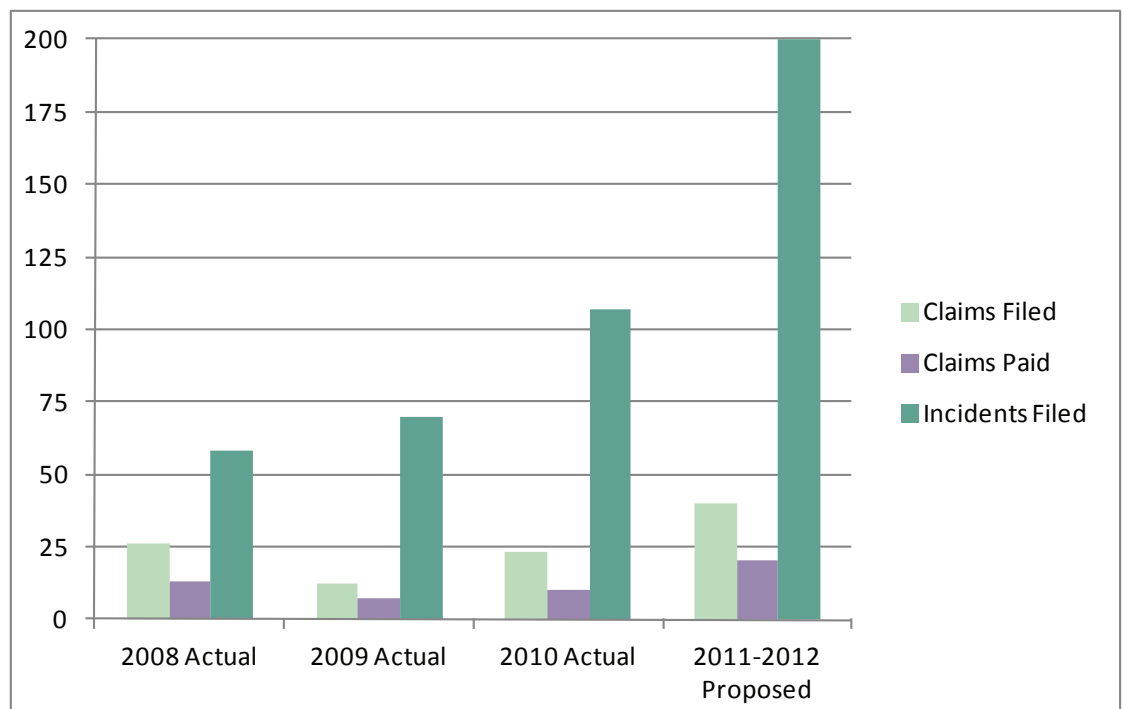
Expenditure Summary <i>Administrative Services</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$191,570	\$207,546	\$226,961	\$227,293	\$476,516
Supplies	6,732	10,245	6,892	4,710	11,900
Other Services & Charges	93,450	84,646	78,975	79,678	51,000
Interfund Charges	10,595	10,614	8,979	11,284	29,058
Total Expenditures	\$302,347	\$313,051	\$321,807	\$322,965	\$568,474

RISK MANAGEMENT



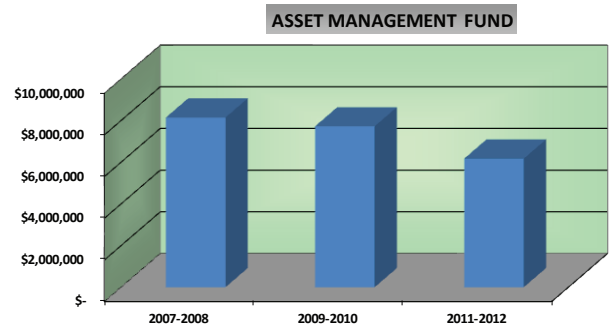
The Risk Management portion of Administrative Services monitors and reports the comprehensive and economical liability insurance. This division monitors the city's compliance to the membership criteria of the Washington Cities Insurance Authority (WCIA). The criterion is developed within a program known as the "Compact". The Compact requires an annual risk management audit, organizational attentiveness, timely claim and incident reporting, and two mandatory training sessions

Performance Measures/Activity				
<i>Risk Management</i>				
	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Claims Filed	26	12	23	40
Claims Paid	13	7	10	20
Incidents Filed	58	70	107	210



ASSET MANAGEMENT

This fund was created under the authorization of Ordinance 986 in 1983, and further codified in the Tumwater Municipal Code Section 3.36.060 through 3.36.120. It is operated as an internal service fund for the repair, replacement, and operation of all rolling stock (motor vehicles) and electronic equipment including computers, telephones, telephone systems and all related equipment. Equipment is originally purchased by a department and “gifted” to the Asset Management fund.



Expenditure Summary

Asset Management Fund - Total

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Administration	\$958,891	\$703,185	\$820,330	\$754,554	\$1,654,009
Operations	497,717	453,977	407,013	475,883	926,658
Capital Equipment & Construction	777,824	668,814	586,119	254,183	1,899,210
Capital Reserve \ Ending Fund Balance	1,861,564	2,215,858	2,040,102	2,377,090	1,686,533
Total Expenditures	\$4,095,997	\$4,041,834	\$3,853,564	\$3,861,710	\$6,166,410

Expenditure Summary

Asset Management - Information Systems

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$231,937	\$309,256	\$359,073	\$367,743	\$651,517
Supplies	1,477	7,083	6,104	8,221	15,000
Other Services & Charges	610,643	264,645	333,970	241,055	663,163
Interfund Charges	114,834	122,201	121,183	137,535	324,329
Total Expenditures	\$958,891	\$703,185	\$820,330	\$754,554	\$1,654,009

Expenditure Summary

Asset Management - Fleet Operations

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$153,706	\$116,608	\$115,584	\$112,003	\$236,390
Supplies	247,926	278,288	225,262	272,909	554,478
Other Services & Charges	96,085	59,081	66,167	90,971	134,790
Total Expenditures	\$497,717	\$453,977	\$407,013	\$475,883	\$925,658

INFORMATION TECHNOLOGY

Over the years the computerization of the city has become developed to the extent where the level of service and staffing has grown to four members. As of the end of 2010, this division was maintaining 292 computers and servers, 72 printers, label printers, and copiers, and 23 scanners and digital projectors, in nine separate facilities throughout the city. In addition to the networked items, this division maintains the citywide phone and voice mail system. Computers and phones are now an integral part of any staff person's ability to achieve their tasks, and they require constant monitoring for the most efficient operation that can be achieved.

Ongoing Functions

- Continue to meet or exceed all needs of the City in the assigned areas of department responsibility;
- Continue to maintain and enhance productive relationships between the City and its employee labor unions;
- Continue to enhance and expand the usefulness of Tumwater TV and to maintain effective relationships with Thurston Community Television (TCTV);
- Coordinate the annual employee recognition breakfast. Employees serving 5, 10, 15, 20, 25 and 30 years are recognized for their service to the City;
- Administration of Domestic Partner registry program;
- Provide analysis to the Mayor and City Administrator on management issues and improved service delivery;
- Maintain city compliance with state commute reduction goals and regulations. Implement new programs to support reduced commute trips by city staff;
- Coordinate recruitment activities for all employment opportunities within the City.
- Continue to complete the annual acquisition of equipment replacements;
- Continue to properly dispose of surplus equipment timely and prudently;
- Continue to process all incidents and claims timely;
- Continue to provide central telephone and city-wide reception;
- Continue monitoring opportunities both public and private to implement the "Fiber Optic Master plan".



2010 Accomplishments

Human Resources

1. Coordinated recruitment and selection of a new City Administrator.
2. Negotiated first four year contract with Teamsters Local #252.
3. Successfully managed a record number of Family Medical Leave cases.
4. Revised policies to comply with state and federal law.

Information Technology

1. Implemented an email archive system to meet requirements set by the State of Washington.
2. Completed a new fiber optical network connection to CAPCOM to eliminate slow/problematic wireless connection.
3. Completed a new fiber optical network connection to Thurston County to help with our data sharing relationship.
4. Upgraded Eden integrated software to version 5, a major platform restructuring to increase workstation data access.
5. Major upgrade for GBA, a software solutions utilized by Public Works and Facilities for workorder and timesheet processing, inventory tracking, and work scheduling. GBA interfaces directly with the Eden database.
6. Implemented a Virtual Infrastructure to consolidate servers and increase redundancy. Virtual servers allowed us to consolidate multiple servers into one large server which saves money on replacement and energy consumption cost. Virtual servers allow us to do maintenance during work hours without interruption to the end users.

Fleet Management

1. The city's fuel storage tanks and fueling system inspected by Department of Ecology to ensure the system meets all regulatory requirements.

2011-2012 Goals

Human Resources

1. Analyze the new environment for health insurance and make recommendations on how the City should proceed in the coming years in order to contain costs and maximize coverage for our employees.
2. Lead the improvement of the City's Performance Management Systems.
3. Work cooperatively with partner agencies to devise a new formula for funding of Thurston Community Television.
4. Work with the City Administrator to develop and implement a Talent Management System in order to help ensure the best quality employees.
5. Work with departments to improve training opportunities for employees through the use of technology, training plans, and expanded awareness of training opportunities.
6. Develop and implement a City-wide employee identification system in order to ensure the safety of employees and customers.
7. Support hiring in relation to public safety initiatives.
8. Assist the City Council with the review of Councilmember compensation.

Information Technology

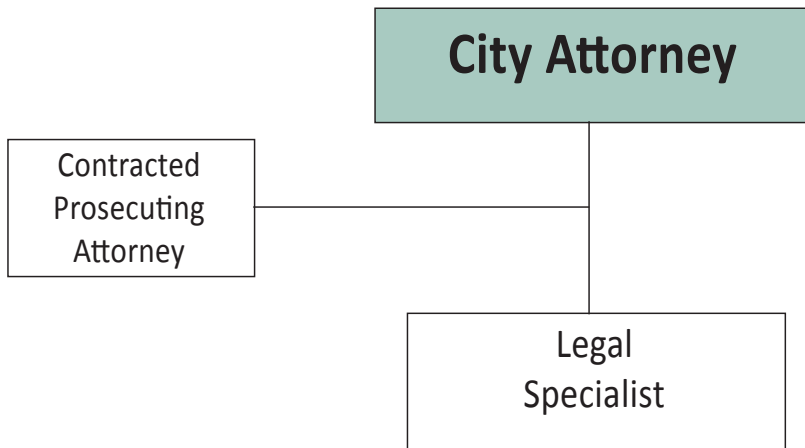
1. Research email system alternatives to help with user efficiency.
2. Research the possibility of switching from E-Directory(Novell) to an Active Directory(Microsoft) system for a more cost effective and user friendly network. Active Directory would allow for single sign. For example, Eden would use the same password as the network password. It would also increase our workstation security.
3. Review the possibility of a VPN (Virtual Private Network) solution to help streamline efficiency for the field employees. For example this would allow Development Services inspectors to update permits in the Eden system while they are onsite and Public Works Operations staff would also be able to update their workorders in the field saving them time and keeping more accurate data. It would also allow greater access to network services from other remote locations and facilitate telecommuting.
4. Replace the city-wide telephone system based on researching available systems for current and future potential technological enhancements. The current system is greater than ten years old and maintenance and parts availability is prompting this review.
5. Work with the Finance and Parks Departments to improve technology and internet usage for routine financial transactions (billing, utility payment, recreation registration, etc.)
6. Review the replacement of computers and printers prior to making actual purchase and replacements.
7. Work with the Communications Coordinator to improve the website and e-delivery of content.
8. Develop protocols for the provision, replacement, and operation of printers.

Fleet Management

1. Develop criteria for the assessment of alternative fuel options for future new and replacement vehicles and equipment.
2. Streamline the acquisition process and policy to conform to purchasing policies set forth by Council.
3. Develop procedures for annual review of replacement cost estimates, working with departments to prepare for changes in rental rates based on this review with cost changes subject to Administration approval.
4. Develop policies for the “greening” of the City’s fleet through the purchase of electric, hybrid, and alternative fuel vehicles.
5. Review actual vehicle needs prior to making purchase and replacement.

CITY ATTORNEY

Organizational Chart



FUNCTIONS

- ◆ Legal Representation
- ◆ Civil Litigation
- ◆ Legal Advisor
- ◆ Prepares/Reviews Legal Documents
- ◆ Criminal Prosecution



CITY ATTORNEY'S OFFICE

The City Attorney's office acts as legal advisor to the mayor, council, boards, commissions and staff. The department provides legal representation in litigation for both civil and criminal issues including prosecution of all misdemeanor, criminal, and traffic violations of the Tumwater Municipal Code.

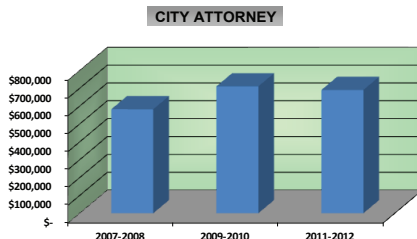
The work program for the City Attorney's office is driven by the needs of the City.

The department provides preparation assistance and legal review of contracts, ordinances, resolutions and various other documents for legal sufficiency.

This budget reflects the cost of the city attorney, contract prosecutor, legal specialist and operational costs for the department.

Ongoing Functions

- Provide comprehensive legal services of both a preventative and reactive nature to the mayor, council, various departments and officials of the City, including representing the city in litigation matters;
- Monitor the municipal prosecution contract, including keeping and maintaining prosecution files and providing staff support;
- Provide on-site law enforcement support;
- Prepare and/or review all ordinances, resolutions, contracts and other legal documents to which the City of Tumwater is a party signatory;
- Provide legal opinions on all matters relating to the affairs of the city to ensure that actions by the city are legally defensible and comply with the most current state and federal laws to minimize potential litigation;
- Maintain up-to-date legal reference materials;
- Monitor and implement pending and adopted State legislation that impacts cities and municipal courts;
- Provide advice to city staff and elected officials as necessary, in order to assist both in complying with changing law.



Expenditure Summary <i>City Attorney</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$208,764	\$226,175	\$236,067	\$236,748	\$469,029
Supplies	867	2,023	958	1,272	2,600
Other Services & Charges	64,317	54,986	94,459	106,777	169,600
Interfund Charges	12,605	12,148	11,546	21,936	48,645
Total Expenditures	\$286,553	\$295,332	\$343,030	\$366,733	\$689,874

2010 Accomplishments

1. Assisted the finance department with preparation of public records amendments and created rules for publication on the city's website to better inform the public regarding record availability.
2. Prepared an ordinance amendment changing the way nuisance complaints are handled and creating a civil remedy rather than criminal prosecution. Working toward compliance without the stigma of a criminal record and jail benefits both the offender and the complainant. The ordinance does allow for criminal prosecution in cases as necessary.
3. Participated in development meetings with the State Court Administrator's Office to create an electronic criminal complaint process as part of the statewide E-ticket program.
4. Participated in discussions regarding access to a public defender at arraignment; procedural and staffing needs necessary to incorporate such access; and developed public defender standards for use in the city's request for proposals.

2011-2012 Goals

1. Rewrite of the Tumwater Criminal Code to better define violations and ensure consistency with state laws. This goal has been met. The ordinance was adopted December 21, 2010 and became effective January 21, 2011.
2. Implement E-ticketing exclusively. It is anticipated that this goal will be met within 12 months depending on Thurston County. The new release in E-ticketing provides the prosecutor a way to prepare complaints referred from the police department without having to re-enter data. The complaint can then be filed with the court electronically. Because Thurston County currently provides our prosecution support, the Administrative Office of the Courts will need to implement Thurston County first and then bring in Tumwater. Our department staff attended the work group meetings to create the end product and is prepared to implement the new process.
3. Develop policies and procedures for transparent government, including social media policies and archiving of records. This goal is currently in process. A social media policy has been developed and it is anticipated that it will be implemented within 6 months. Other policy development is on-going.
4. Work with other City departments to assess the long-term options for Municipal Court services. Due to the number of outside resources necessary to accomplish this goal, this goal will likely take up to 18-24 months to be accomplished.
5. Develop and adopt the department strategic/business plan. It is expected to take approximately 18 months to complete the development of the department's strategic/business plan.



FUNCTIONS

Planning & Zoning Services

- ◆ Development Review Committee
- ◆ Zoning Administration
- ◆ Site Specific Rezoning
- ◆ Site Plan Review
- ◆ Environmental Review
- ◆ Tree & Vegetation Protection
- ◆ Shoreline Review
- ◆ Zoning Code Enforcement
- ◆ Hearing Examiner Cases
- ◆ Multi-Jurisdictional Development
- ◆ Development Information

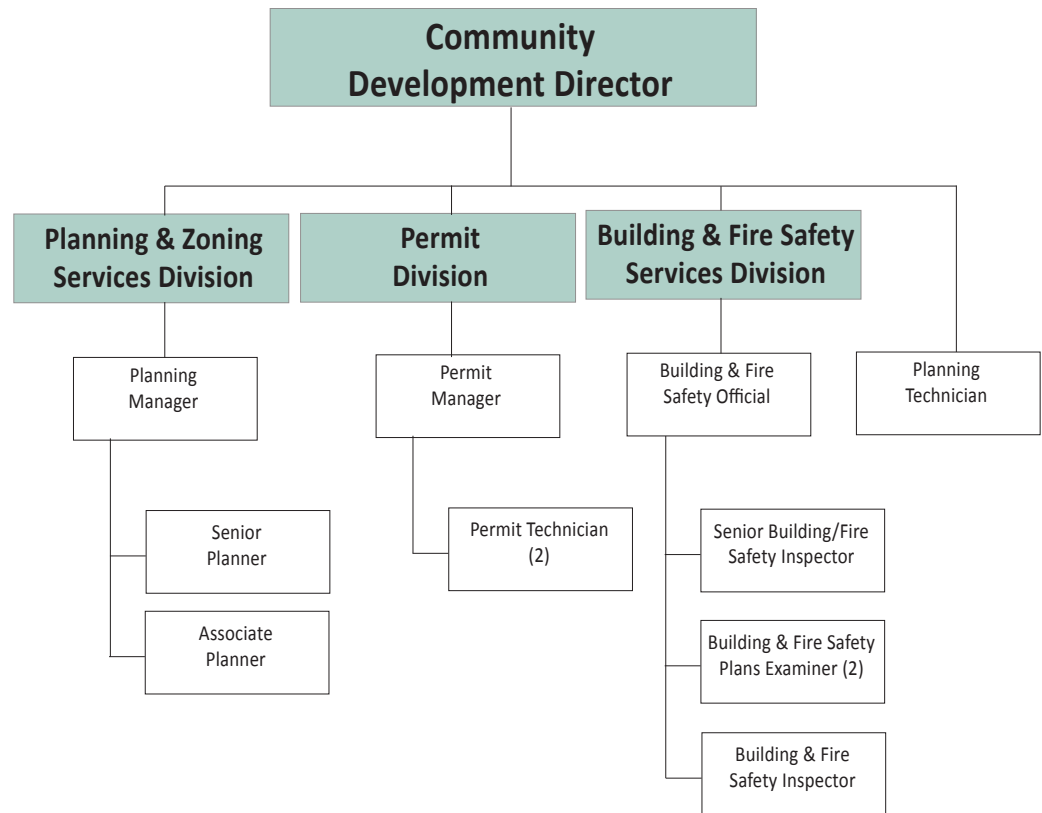
Building & Fire Safety Services

- ◆ Development Review Committee
- ◆ Building Plan Review
- ◆ Building Permits
- ◆ Fire Sprinkler/Alarm Plan Review
- ◆ Building, Plumbing, Mechanical and Fire & Life Safety Inspections
- ◆ Disabled Access Compliance
- ◆ Energy Code Compliance
- ◆ Street Names & Addresses
- ◆ Building & Fire Code Enforcement
- ◆ Certificates of Occupancy
- ◆ Development Information

Permitting Services

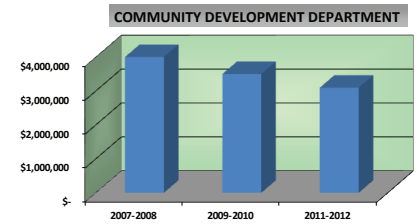
- ◆ Development Review Committee
- ◆ Plan Review & Inspection of Water, Stormwater, Sanitary Sewer and Street Systems
- ◆ Latecomer Administration
- ◆ Easements & Dedications
- ◆ Multi-Jurisdictional Utilities
- ◆ Telecommunications (ROW) Utilities
- ◆ Water System Modeling
- ◆ Engineering Performance Bonds
- ◆ Traffic Study Submittals
- ◆ Development Information

COMMUNITY DEVELOPMENT DEPARTMENT Organizational Chart



COMMUNITY DEVELOPMENT

Tumwater's Community Development Department performs development permitting/review, building inspection and long range comprehensive planning. The function of the department is to assist policy makers to craft and adopt innovative, realistic long range plans, and to implement those plans and policies by providing effective and efficient professional planning and building services to citizens and development clientele.



Expenditure Summary <i>Community Development - Total</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Planning	\$441,553	\$474,125	\$478,807	\$505,689	\$972,846
Facilities	1,516,007	1,576,958	1,302,280	1,210,951	2,122,530
Total Expenditures	\$1,957,560	\$2,051,083	\$1,781,087	\$1,716,640	\$3,095,376

Expenditure Summary <i>Community Development - Planning</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$360,666	\$397,205	\$413,458	\$424,407	\$852,158
Supplies	6,103	6,785	1,200	3,371	10,300
Other Services & Charges	17,142	9,180	3,424	6,222	59,150
Intergovernmental	40,528	41,989	45,386	51,400	-
Interfund Charges	17,114	18,966	15,339	20,289	51,238
Total Expenditures	\$441,553	\$474,125	\$478,807	\$505,689	\$972,846

Expenditure Summary <i>Community Development - Permits</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$1,191,316	\$1,389,149	\$1,180,297	\$1,064,189	\$1,789,250
Supplies	25,972	9,484	2,996	6,413	24,000
Other Services & Charges	226,764	99,413	35,410	39,537	87,600
Intergovernmental	6,000	6,000	6,000	6,000	-
Interfund Charges	65,956	72,912	77,577	94,812	221,680
Total Expenditures	\$1,516,007	\$1,576,958	\$1,302,280	\$1,210,951	\$2,122,530

Ongoing Functions of the Permitting/Inspection Division

- Performing preliminary analysis of development proposals to assist applicants with preparation of development submittals;
- Processing rezoning applications, conditional use permits, site plans and land subdivision applications, and boundary line adjustments. Reviewing development plan submittals for compliance with subdivision, site plan, building, plumbing, mechanical, environmental (SEPA), and shoreline standards. Issuing permits for buildings, plumbing, mechanical, signs, and grading.
- Conducting inspections of new and remodeled residential and commercial structures for compliance with state and local building, mechanical, plumbing, disability access, energy code, and fire safety regulations;
- Issuing certificates of occupancy;
- Investigating complaints of non-compliance with land use and development regulations and implementing corrective actions.

Ongoing Functions of the Long Range Planning Division

- Provide staff support to various Comprehensive Plan provisions;
- Provide staff support to the City Council, Planning Commission, Tree Board.
- Continue to timely process annexation requests;
- Continue to provide public information on city planning efforts;
- Continue to monitor regional and state planning issues that affect the citizens of Tumwater;
- Continue pursuing alternative funding strategies for Old Brewhouse preservation;

Performance Measures/Activity				
<i>Community Development</i>				
	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Development Review Hearings	74	41	35	75
Platting/Subdivision Cases	27	11	3	8
Environmental Submittals	34	11	25	55
Hearing Examiner Cases	9	5	2	8
Complaint Investigations	45	34	70	125
Development Plan Reviews	752	461	409	800
Development Inspections	10,502	6,797	7,330	14,500
<i>Building Construction</i>				
Building Permits	1,018	749	665	1,300
New Commercial Construction	40	16	13	28
New Residential Construction	109	50	136	180
Total Construction Valuation	\$84,852,657	\$20,639,627	\$57,295,814	\$85,000,000

2010 Accomplishments

1. Adopted new technical codes in response to the State-mandated three-year cycle.
2. Established new permit applications and submittal checklists to streamline development process.
3. Developed permit modules on the Eden permit system to implement the 2007 Latimore Study recommendations.
4. Completed the City of Tumwater Strategic Plan.
5. Completed the Economic Development Plan.
6. Completed Joint Plan amendments significantly reducing the size of the Urban Growth Area to accommodate high groundwater areas.

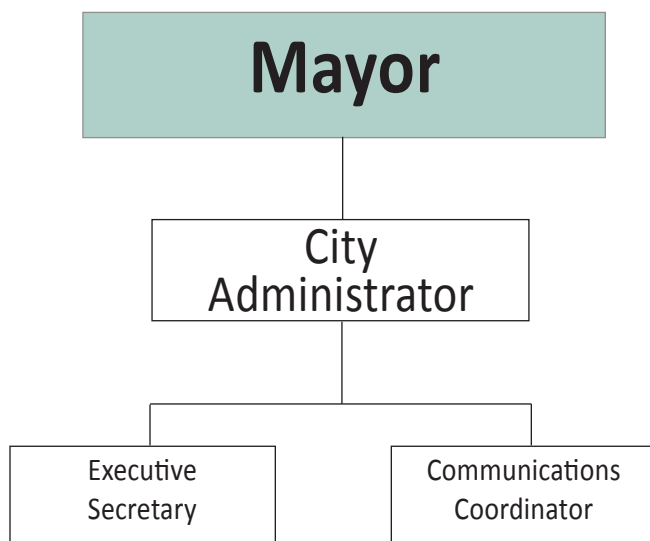
2011-2012 Goals

1. Continue development and implementation of new permit applications and checklists in order to provide the maximum amount of good information to applicants prior to submitting an application.
2. Continue efforts to implement the Latimore Study process improvement recommendations.
3. Establish a new records archive process in order to ensure adequate and legal records retention.
4. Develop a program for increased urban forestry staff resources.
5. Prepare a background report on the feasibility of a local electrical permit system in order to improve customer service.
6. Prepare a program proposal to establish a code enforcement program for code compliance with land development, building, and property maintenance requirements.
7. Establish new electronic forms, applications, and handouts on the Tumwater website.
8. Work with the Public Works Department to evaluate the effectiveness of the City's development regulations.
9. Work with other departments on the major planning and design projects to help foster and promote good planning and design.
10. Review customer service procedures and strategies to improve the Tumwater 'brand' and increase the attractiveness of Tumwater to developers.
11. Prepare and adopt a community visioning document for the Brewery properties. The plan will establish a shared community vision and foster a common understanding of the unique constraints and development potential of the properties in order to build support and predictability for subsequent development in line with the community vision.



12. Utilize and expand on the work of the visioning project for the Brewery properties work by working with stakeholders and citizens in and around the Brewery Neighborhood to develop a neighborhood plan to guide public and private investment. This will likely result in comprehensive plan amendments, new zoning classifications, revised development regulations, and a long term collaboration strategy with business owners and stakeholders in this area.
13. In cooperation with Public Works, improve the visual appeal of the Capitol Boulevard corridor using design regulations, infrastructure investment, pedestrian oriented development, improved business climate, and identification of key redevelopment sites.
14. Review the Comprehensive Plan and development regulations and design guidelines to determine needed changes to achieve the desired results with the built environment.
15. Adopt a new Shoreline Management Plan.
16. Develop and implement performance measures and benchmarks for the department to allow ongoing performance measurement across the various departmental areas of responsibility.
17. Review and revise the Comprehensive Street Tree Plan to change and expand on the species list suitable for tree plantings in the right-of-way.
18. Review and revise as needed TMC 16.08, Protection of Trees and Vegetation.
19. Work with TRPC and Public Works Department staff on the grant-funded commute trip reduction program (CTR) with emphasis on the Town Center vicinity and State employment areas.
20. Along with other departments, implement the various action items identified in the Strategic and Economic Development Plans.

EXECUTIVE DEPARTMENT Organizational Chart



FUNCTIONS

- ◆ Direct Overall Operation of City Programs
- ◆ Policy Direction
- ◆ Research and Analysis
- ◆ Budget and CPI Implementation
- ◆ Intergovernmental Representation
- ◆ Support to Mayor and Council
- ◆ LTAC/HSRC Funding
- ◆ Citizen Advisory Boards, Commissions, and Committees

LEGISLATIVE

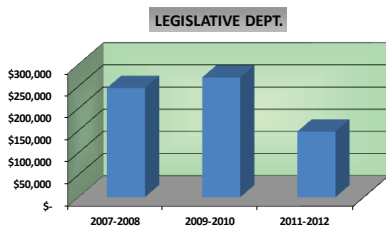


The City Council is the legislative branch of the City of Tumwater and establishes policy and direction for the City through the City budget, comprehensive plan, capital facility plan, and other plans, resolutions, and ordinances. The general powers and duties of the Council are provided in RCW Chapter 35.24 and include, in part, organize and regulate Council activity; define the duties of City officials; fix compensation and working conditions for City employees; establish and maintain compensation systems; adopt and enforce ordinances; acquire, sell, operate, maintain and vacate public ways and real estate; provide for local social, cultural, recreational, educational, governmental, or corporate services including the operation of various utilities; powers of eminent domain, taxation, and borrowing; the granting of franchises; and other duties. The Tumwater City Councilmembers also serve on standing committees, which act as the Council subcommittees and represent the City in numerous community and inter-agency organizations.

In addition to operational expenses (salaries, conferences, travel, office supplies) related to the legislative function, the Legislative budget includes various dues and memberships for the City, including the Association of Washington Cities, the Tumwater Chamber of Commerce, and the ICLEI-Local Governments for Sustainability. It also includes the operation and maintenance of the Amtrak Depot, the assessment for the Thurston County Air Pollution Control, and the regional/local human services funding program.

2011-2012 Goals

- Review and adoption of the Strategic Plan;
- Consideration of the Economic Development Plan as presented to the Council by the Economic Development Task Force;
- Conduct one or more planning and budget retreats to guide future City direction including the establishment of Strategic Priorities;
- Consider a proposal for a biennial budget;
- Develop and adopt a budget for 2011 or 2011/2012; and
- Consider methods to increase citizen communication and involvement.



Expenditure Summary					
<i>Legislative</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$50,083	\$55,430	\$53,960	\$57,778	\$117,588
Supplies	1,286	964	1,362	22,455	4,000
Other Services & Charges	8,942	10,356	10,629	11,019	13,900
Intergovernmental	8,440	9,386	9,833	9,811	-
Human & Community Services	33,539	39,713	35,000	32,001	-
Interfund Charges	14,539	13,582	11,582	14,497	12,495
Total Expenditures	\$116,829	\$129,431	\$122,366	\$147,561	\$147,983

EXECUTIVE

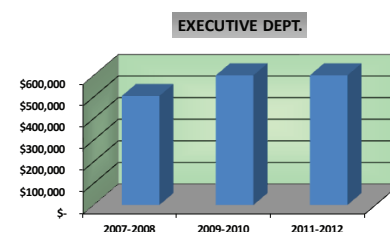
The Mayor of a code-city mayor-council municipality is the Chief Executive Officer and the City Administrator is the Chief Administrative Officer, thus forming the Executive branch of Tumwater government. They are responsible for the administration of programs and policies established by the City Council; directing and coordinating departmental operations; informing the Council on City affairs, problems, and future needs; reviewing policies and regulations involving municipal government management; developing a proposed budget for presentation to the City Council; maintaining communications with Tumwater citizens; responding to citizen requests; maintaining and promoting the City's mission, vision, and beliefs; assisting departments in strategic planning; representing the City in a variety of venues; and performing other duties for the effective operation of the City.



The Executive division includes the Mayor, City Administrator, and an Executive Secretary.

Ongoing Functions

- General administrative duties of City government;
- Provide general support to the City Council;
- Develop and propose a City budget and capital facilities plan;
- Make recommendations to the Council concerning the affairs of the City as appropriate;
- Respond to emerging issues of policy development and immediate needs;
- Coordinate departmental strategies for carrying out Council priorities;
- Prepare recommendations, policies, procedures and programs requested by the Council;
- Appoint and replace members of the City's advisory boards, commissions, and committees;
- Coordinate biennial (or as needed) inaugural events, including swearing-in ceremonies, receptions, Council photos;
- Promote healthy partnerships between the City and businesses, community groups, other jurisdictions, and organizations;
- Communicate information and City positions on legislative issues at the regional, state and national levels;
- Support the Tumwater Sister City Program.



Expenditure Summary				
<i>Executive</i>				
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Budget
Personnel Costs	\$231,035	\$246,261	\$293,709	\$300,507
Supplies	944	910	1,561	1,700
Other Services & Charges	685	540	443	1,800
Interfund Charges	12,284	11,955	10,214	14,290
Total Expenditures	\$244,949	\$259,666	\$305,927	\$318,297

2010 Accomplishments

1. Lead the completion of the City Strategic Plan including the adoption of organizational Vision, Mission and Beliefs in order to guide decision-making and the formalizing of Strategic Priorities as part of a goal-setting retreat.
2. Initiated new public communications and engagement strategies, including electronic email services, Tumwater Community Day, and Coffee with the Mayor.
3. Lead the conversion to a biennial budget system and presented for adoption a balanced budget.
4. Worked with Police, Fire and Finance Departments to propose capital and operating revenue enhancements to fund expanded and improved services.
5. Review and update the Lodging Tax Advisory Committee selection process.

2011-2012 Goals

1. Foster and maintain a mission-driven and beliefs-based organization in the pursuit of excellence
 - a) Rollout the mission, vision, and beliefs and manage their implementation City-wide.
 - b) Implement and monitor the Strategic Priorities.
 - c) Assist Public Works and Finance Departments in preparation of business plans.
 - d) Develop and maintain a customer service program.
 - e) Host an annual Council retreat to review priorities and address emergent issues.

Performance Measures				
<i>Executive</i>				
	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Committee Assignments	49	37	13	12
Council Assignments	49	37	48	18
Advisory Boards & Commissions Assignments	19	28	25	47
Community Mailings	n/a	n/a	2	5
E-Newsletters	n/a	n/a	4	72
Performance Measures				
<i>Legislative</i>				
Council Assignments	41	37	44	92
Committee Assignments	33	20	36	96

2. Improve communication and engagement with the community, partners, and employees.
 - a) Maintain and execute a City-wide communications plan to include branding, web updates, newsletters, email, and other outreach and engagement.
 - b) Arrange City staffing and acquire resources in order to accommodate communications priorities.
 - c) Utilize technology to expand communication at less cost.
3. Pursue financial stability and responsibility
 - a) Monitor the City's biennial budget with quarterly reporting on financial condition.
 - b) With the Finance Department, develop a 5-year financial plan.
 - c) Study, monitor, and execute measure in and across departments for efficiency, expand the tax base, review service delivery options, and consider innovative revenue sources.
 - d) Staff the City's Lodging Tax Advisory Committee and Human Services Review Council functions.
4. Advance safety for employees and the community
 - a) Support the execution of City emergency management preparedness and planning.
 - b) Work with public safety departments to pursue funding for capital improvements and quality needed services through voted bonds, regionalization, efficiency, and other measures as appropriate.

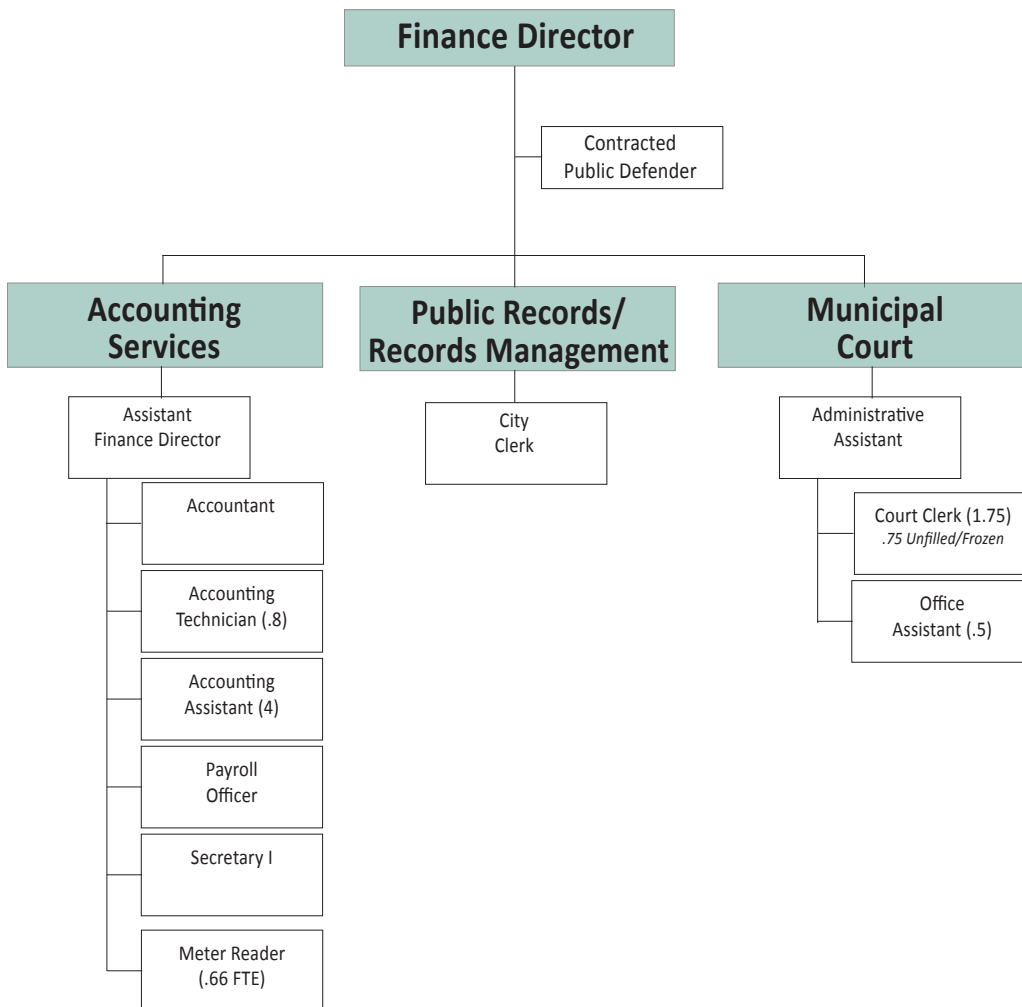
Expenditure Summary					
<i>Human/Community Services</i>					
AGENCY	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Bread & Roses	\$3,000	\$-	\$-	\$-	\$-
Dispute Resolution	1,300	1,500	1,700	1,500	3,000
Garden Raised Bounty	1,000	1,500	2,100	2,000	-
Regional Human Services	24,738	24,713	25,000	25,000	50,000
Project Access	6,425	-	-	-	-
Retired Senior Volunteer Program	3,600	5,000	4,000	-	2,000
Economic Development Council	-	5,000	-	1,500	2,000
Big Brothers / Big Sisters	-	2,000	2,200	2,000	3,000
To Be Allocated Later					10,000
Total	\$40,063	\$39,713	\$35,000	\$32,000	\$60,000

- c) With the Finance Department, study options for the future provision of Municipal Court.
- 5. Lead the development of and execution of organizational capacity for economic development activities which build on the Economic Development Plan, which advance the City's strategic goals, and seize opportunities
 - a) Cultivate and nurture partnerships with the Port of Olympia, Tumwater School District, and other organizations.
 - b) Aid other departments in a review of development regulations to determine suitability of development
 - c) Coordinate high-profile planning projects for Capital Blvd., Brewery, Brewery Neighborhood, and Town Center.
 - d) Work with the Communications Plan to promote Tumwater opportunities and our brand.
- 6. Provide support to the following organizations to increase tourism in the City: Dixieland Jazz Society, Olympia Tumwater Foundation, Olympic Flight Museum, Puget Sound Senior Games, Tumwater Town Center Farmers Market, Tumwater Chamber of Commerce, Tumwater Downtown Association, Tumwater Historical Association, Thurston Visitor & Convention Bureau, Washington Center for the Performing Arts, and Wolf Haven International.
- 7. With Capital Facility Plan money, and donations from the community, convert the Henderson House Museum into a period house museum consistent with prior City Council direction to establish such.

FINANCE

DEPARTMENT

Organizational Chart



FUNCTIONS

Accounting Services

- ◆ Budget Monitoring & Preparation
- ◆ Revenue & Expense Reporting
- ◆ Payroll
- ◆ Utility Billing
- ◆ Business Licenses
- ◆ Central Stores
- ◆ Mail Processing
- ◆ Inventory Control
- ◆ Asset Rental Rates
- ◆ Asset Management
- ◆ Capital Acquisitions
- ◆ Cash Management
- ◆ Central Cashiering

Public Records/ Records Management

- ◆ Claims Reporting & Management
- ◆ Archival Duties
- ◆ Public Records Requests
- ◆ Municipal Code Management
- ◆ Web Master
- ◆ Tumwater TV Programming
- ◆ Council Packet Preparation

Municipal Court

- ◆ Court Caseload Management

FINANCE DEPARTMENT

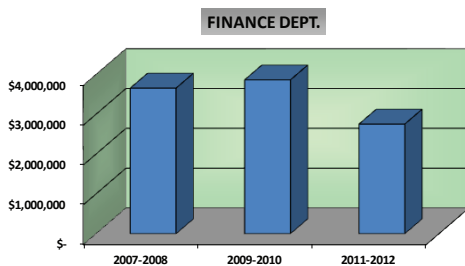
The Finance Department provides for four different divisions:

- 1) Financial Services
- 2) Public Information & Records Management
- 3) Municipal Court

FINANCIAL SERVICES

This division provides the City with financial information that includes:

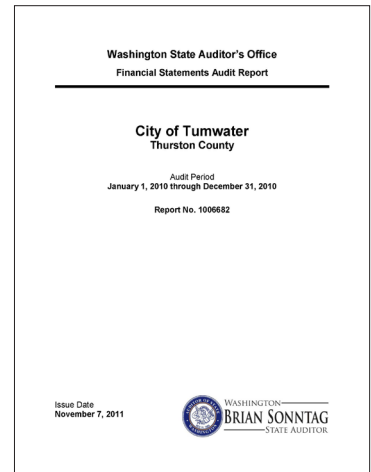
- Administering the investment portfolio for maximizing cash management;
- Debt management;
- Budget preparation, production and administration;
- Annual financial report preparation;
- Business license issuance and monitoring;
- Business & Occupation Tax monitoring & reporting;
- Grant management;
- Utility billing (water, sewer, storm sewer);
- Accounts receivable;
- Fixed asset management;
- Monthly financial reporting;
- Payroll;
- Accounts Payable;
 - Prepares for and facilitates the city's annual audit.
 - Procurement and distribution of central office supplies;
 - Processing of the city's incoming and outgoing mail;
 - Overall management of the department;
 - Developing work programs;
 - Supervision of personnel;
 - Maintaining ongoing relationships with the other city departments.



Expenditure Summary					
Finance					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$1,055,162	\$1,067,608	\$1,188,935	\$1,155,593	\$2,009,957
Supplies	30,640	27,221	25,540	16,380	54,330
Other Services & Charges	650,211	604,122	599,858	582,423	521,380
Intergovernmental	58,180	20,800	86,842	61,480	400
Interfund Charges	70,338	70,340	69,336	75,389	166,458
Total Expenditures	\$1,864,532	\$1,790,091	\$1,970,511	\$1,891,265	\$2,752,525

Ongoing Functions

- Complete the six-year financial forecast for the City's Capital Facilities Plan;
- Compile and produce the annual financial report;
- Continue to work the Mayor and City Administrator to facilitate the biennial budget;
- Coordinate with all city departments to finalize the budget;
- Provide regular and accurate financial information to the Council, Administration, Management Team and Citizens;
- Continue to provide accurate and timely monthly financial reports;
- Continue to comply with the city's investment policy while maximizing the City's investment income;
- Continue to monitor the city's budget on a monthly basis;
- Continue to provide accurate and timely utility billings, B&O tax reporting and business licensing;
- Continue to provide high internal service for such issues as payroll, equipment management and accounts payable;
- Continue to provide mail processing and the central store.



2010 Accomplishments

1. The biennial budget process was adopted on June 1st, with implementation to take place in the 2011-2012.
2. Began the project of documentation of key financial functions (payroll, payables, utility billing) and cross-training based on the functions' general descriptions and checklists.
3. Began a realignment of duties in the Utility Billing function in advance of changes in the meter reading cycle due to the near completion of the radio-read water meter upgrade project in Public Works.

Performance Measures/Activity				
<i>Financial Services</i>				
	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Purchase Orders Processed	5,055	4,588	4,482	9,000
Payroll Checks Written	777	634	656	1,200
Payroll Direct Deposits	4,184	4,186	4,304	8,700
Payables Checks Written	4,043	3,764	3,837	7,700
Water Accounts	6,567	6,801	7,323	7,250
Sewer Accounts	4,923	5,128	5,363	5,580
Storm Drain Accounts	5,583	5,707	5,841	6,100
New Business Licenses Issued	595	682	690	1,400



2011-2012 Goals

1. Design a reporting method that will be the most effective means of reporting timely and relevant budgeting and financial operations information to all departments, Administration, and Council.
2. Review and update the City's Budget and Finance Policies.
3. Work with Administration to develop an on-going 5-year financial forecast.
4. Study the long-term options for provision of Municipal Court services.
5. Review the City's financial policies and recommend updates as necessary to assure conformance to regulations and guidelines set forth by federal and state law, and city laws and directives.
6. Technological updates:
 - a. Develop systems that allow for data export/import to increase automated transaction sharing between software programs used for tracking and reporting by seeking solutions available with the existing cashing programming to extract data or move to an alternative cashing system that serves the purpose.
 - b. Partner with Public Works and Information Technology to upgrade meter reading functions;
 - i. Migrate software to a network environment to allow sharing of data for meter analysis;
 - ii. Institute the next level of meter reading now that 96% of the City's meters are equipped with radio transponders. A laptop and high-gain transponder reading system will shorten the read time to two or three days allowing much more time to review reads for more accurate billing and allow the efficiencies of radio reading to provide more staff time for maintenance and risk assessment in the field.
 - c. A multi-phase project to provide on-line bill payment, customer access to bills, and eventually on-line billing.
 - d. Work with Parks Department to provide on-line tee-times and Recreation Program registration.
7. Improve Business Licensing and B&O Tax collection and tracking and efficient utilization of staffing related to this function;
 - a. Replace obsolete and unsupported software, integrating it with sales tax collection data.
 - b. Using the abilities of new software, set the taxing period to annual for many taxpayers.
 - c. Use staff time saved with tax period shifting to collection activities for late reporting taxpayers.
8. Review the growing regulatory requirements on data storage and protection. Payment Card Industry (PCI) compliance and the Federal Trade Commission "Red Flag" rules are expected to place additional burden on operating procedures in the Finance Department as well as the Asset Management – Information Technology Division.
9. Work with Administration, Police and Fire Departments to secure resources for capital and operational needs.
10. Work with the Parks & Recreation Department to amend the budget to reflect using grant monies for the development of a historic school curriculum and

website.

11. Work with Administration and others to review available options for future operation of the court in light of reduced revenues and potentially increasing police activity.
12. Complete the assessment of public defense needs based on required public defense standards.



PUBLIC INFORMATION, RECORDS MANAGEMENT & CITY WEB MASTER SERVICES

This division includes responsibility for:

- Supervision and monitoring the minutes of:
 - City council;
 - Council committees;
 - Planning commission;
 - Civil Service;
 - Hearings Examiner;
 - Central Safety;
 - Parks Board;
 - Historic Commission;
 - Tree board;
 - Library board;
 - Central Safety Committee and;
 - Barnes Lake Management District.
- Prepares and distributes packets for City Council and committee meetings;
- Maintenance of the official public records ordinances, resolutions, legal notices the municipal code, and the citywide records imaging system;
- Responds to all request for Public Information and Records;
- Voter registration and city election costs;

Performance Measures/Activity				
<i>Records Management</i>				
	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Items Recorded	98	71	61	120
Council Minutes Pages	367	447	460	900
PD Requests	140	105	106	210
Council Agenda Reports	194	180	133	265
Committee/Council Agendas Produced	70	64	81	160
Budget Committee Reports	1	2	2	4
Public Safety Committee Reports	18	2	19	40
Public Works Committee Reports	50	39	48	100
General Government Committee Reports	10	1	23	40
Municipal Code Update Supplements	1	2	2	4

2010 Accomplishments

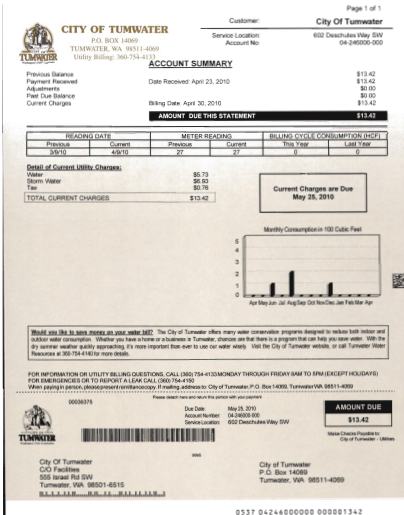
1. Restructured incident and claims storage and tracking to be accessible in LaserFiche (data storage and retrieval system) by Legal, Human Resources and Finance.
2. Coordinated with the Legal Department to modify public disclosure processes to conform to state law, updating the city's website to include public disclosure policies.
3. Reorganization of the court staff and assignments. Emergency cross-training of the City Clerk completed.

2011-2012 Goals

- ## MUNICIPAL COURT

Such items are:

- Manage the court's caseload under the direction and guidance of the Judge;
- Record and monitor all court proceedings;
- Update all defendants records accurately and timely;
- Collect all fines, forfeiture and court costs;
- Timely refer uncollectible cases to collection services;
- Monitor the collection service provider on all court collection activities;
- Manage the court trust account & bail forfeitures;
- Monthly transmit timely and accurately all fees collected & due to other agencies;



- Monitor and manage the indigent defense contract;
- Administer needs and/or requests for interpretive services;
- Respond promptly to all inquiries, complaints or requests for court information;
- Monitor and manage the jury trial contract and services provided by the Thurston County Superior Court;
- Maintain a positive relationship with the Tumwater Police Department and City Prosecuting/Legal Department.

2010 Accomplishments

1. Reorganization of the court staff and assignments. Emergency cross-training of the City Clerk completed.
2. Process backlog of delinquent citations for approval by the judge to assign to collection.

2011-2012 Goals

1. Work with the judge and prosecution to review the court schedule to identify changes in days and duration of sessions to match up with the number of cases, assuring that defendants appear in court within a reasonable period of time.
2. Work with Administration and others to review available options for future operation of the court in light of reduced revenues and potentially increasing police activity.
3. Complete the assessment of public defense needs based on required public defense standards.
4. Work with the judge and prosecution to review the court schedule to identify changes in days and duration of sessions to match up with the number of cases, assuring that defendants appear in court within a reasonable period of time.

Performance Measures/Activity

Municipal Court

	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Criminal Non-Traffic Filed	318	331	349	710
DUI/Physical Controls Filed	42	69	67	134
Criminal Traffic Infractions Filed	448	532	627	1,340
Parking Citations Filed	66	142	139	311
Traffic Infractions Filed	2,117	2,980	2,748	5,900
Total Proceedings Held	3,260	3,653	4,134	8,700
Deferrals Granted	456	583	453	1,080
Sum of Proceedings & Deferrals	3,716	4,236	4,587	9,700
Deferrals Rescinded	41	84	127	310

FUNCTIONS

Emergency Operations

- ◆ Fire Suppression
- ◆ EMS
- ◆ SPRINT-EMS
- ◆ Special Operations
- ◆ Safety-Health
- ◆ Fleet Maintenance
- ◆ Facilities Maintenance

Training

- ◆ Inservice Training
- ◆ Recruitment/Retention
- ◆ Volunteer Program
- ◆ Emergency Planning
- ◆ Public Education
- ◆ Curriculum Development

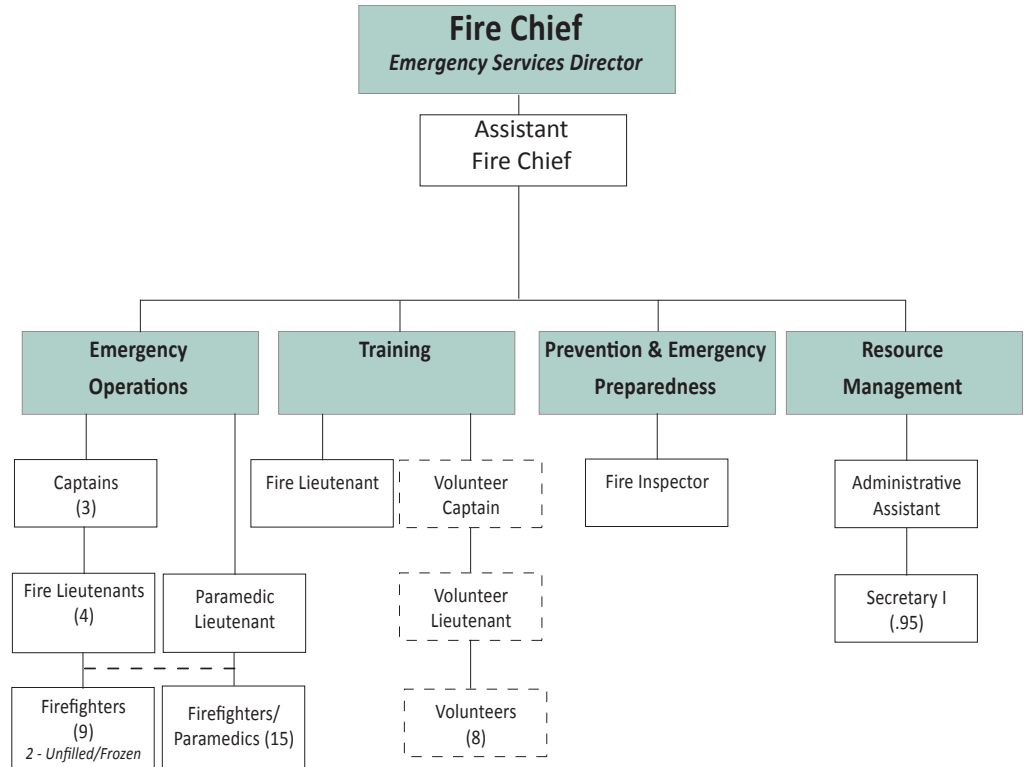
Prevention & Emergency Preparedness

- ◆ Code Compliance
- ◆ Plan Review
- ◆ Fire Investigation
- ◆ Public Education
- ◆ Neighborhood Emergency Preparedness
- ◆ Emergency Management Coordination

Resource Management

- ◆ Office Management
- ◆ Administrative Support
- ◆ Manage project expenditures
- ◆ Personnel - Payroll
- ◆ Fiscal Management
- ◆ Information Management
- ◆ Public Information
- ◆ Maintain multi schedules
- ◆ Supervise support staff

FIRE DEPARTMENT Organizational Chart



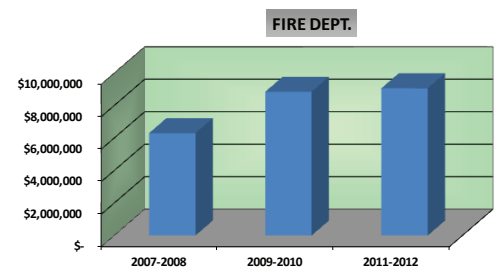
FIRE DEPARTMENT

The Fire Department is responsible for protecting the citizens, their property, and the environment from natural and man made emergencies and helping them to recover from such emergencies. These services are delivered to our citizens by means of emergency response, public education, code enforcement, and disaster planning. The department also provides fire suppression services by way of contract to Thurston County Fire Protection District #15 (Munn Lake.) The department is staffed by thirty one career professional members and eleven volunteer members. The department provides services to the public from two locations; the Fire Headquarters (24 hrs/day) and the North End sub station only as staffing permits. The city is a contract provider within the Thurston County Medic One system. As a system partner, Advanced Life Support certified firefighter paramedics respond to medical emergencies in the city and county and are fully cross trained as firefighters. Paramedic staffing for a paramedic unit, based in the Rochester area, is also provided by contract. Medic One also provides support for BLS/EMT response in the city.



EMERGENCY OPERATIONS

The Emergency Operations Division operates on a twenty-four hour shift, supervised by a captain, which responded to 5211 emergency calls in 2010, comprised of 2704 Fire/EMS calls, 1618 Medic 5 calls, and 889 Medic/Sprint 14 (South County) emergency calls.. Firefighters are trained and equipped to respond safely to a wide range of incidents including emergency medical, fire suppression, rescue, hazardous materials releases, and terrorism. The department participates in a Special Operation and Response Team (SORT) with our mutual aid partners to provide advanced technical rescues. The department also partners with the Port of Olympia to provide aircraft rescue and firefighting service. Dispatch services throughout the county are provided by Thurston 911 Communications (TCOMM-911).



Expenditure Summary					
<i>Fire</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$2,727,667	\$2,943,861	\$3,681,397	\$3,892,126	\$8,430,089
Supplies	50,210	41,435	44,398	48,759	143,898
Other Services & Charges	74,733	63,054	90,069	73,012	217,612
Intergovernmental	-	121,653	413,543	300,000	-
Interfund Charges	124,031	144,982	153,161	135,435	263,384
Capital Outlays	5,850	-	7,149	-	-
Total Expenditures	\$2,982,492	\$3,314,985	\$4,389,717	\$4,449,332	\$9,054,983

TRAINING

The Training Division is responsible for coordinating and supervising internal department training to provide capable well educated firefighters who respond to all incidents in as safe a manner as possible and to meet the legal requirements and the objectives of the administration. The Training Officer position is currently staffed by a career fire lieutenant.

This division develops curriculum, oversees the delivery of the program, coordinates training with our mutual aid partners and evaluates this training through testing and observation at drills and actual incidents. It also monitors the documentation of training hours.

PREVENTION

The Fire Prevention Division is responsible for fire code development and enforcement within the city. Fire Prevention coordinates with the Community Development Services Department on new and remodel construction within the city. This division is also responsible for the city's ongoing regular fire inspection program that evaluates all commercial and apartment buildings for compliance with the fire code. The Fire Prevention Division also responds to citizen requests and complaints regarding fire code issues as well as coordinates public education to the citizens and businesses in the areas of fire prevention, safety, neighborhood emergency preparedness, and juvenile fire-setter counseling. This position is currently unstaffed but is scheduled to be filled in the summer of 2011.

EMERGENCY PREPAREDNESS

The Emergency Preparedness Division is responsible for planning to reduce the impact of disasters (mitigation), coordinating the city's response to disasters (response), and overseeing the return to normal (recovery) of the city after a disaster. Educating city staff on how to prepare themselves and what their role may be in a disaster is part of this division. Coordination with the rest of the county is accomplished by participation in the Emergency Management Council of Thurston County. Community and individual disaster preparedness classes are provided to interested citizens.

Performance Measures/Activity				
<i>Fire</i>				
	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Engine Activity	2,432	2,681	2,704	5,816
Medic Activity	1,795	1,781	1,618	3,462
Public Education Classes/Car Seat Inspections	79	74	124	248
Staff Training (Hours)	3,129	5,015	4,451	9,100
Technical Inspections	10	11	11	32
Medic 14	NA	215	413	850
Sprint 14	NA	653	476	1128

* Technical Fire Inspector to be hired July 1, 2010



Since September 11th, 2001 (9-11), the Emergency Management Division has continued to prepare to respond to a terrorist event in the local area or to help another jurisdiction if needed. This division also represents the city on the Homeland Security Region 3 Council, a group created by the state for regional response and a mechanism to channel grant money to local government.

RESOURCE MANAGEMENT

The Resource Management Division is responsible for records management, administrative functions, and budget support. This division is also responsible for managing information pertaining to personnel, payroll, fiscal management, emergency response data, and public information. This division also works closely with other local agencies to provide public information on childhood injury prevention education. The Resource Management Division is the program administrator for the department fire reporting software and is responsible for completing the required annual National Fire Incident Reporting System (NFIRS) data in an accurate and timely manner.



ONGOING FUNCTIONS

Emergency Operations

1. Provide the citizens with 24-hour Emergency Fire Response, Rescue, and Basic Life Support/EMT services;
2. Provide the citizens of Tumwater and Thurston County with Advanced Life Support/Paramedic services;
3. Continue training and response to aircraft incidents in cooperation with the Port of Olympia Regional Airport;
4. Continue preparations for threats of terrorism;
5. Provide company level inspections of existing buildings;
6. Continue routine maintenance on fire department apparatus;
7. Continue to liaison and contract with Thurston County Medic One system to ensure quality Advanced Life Support/Paramedic needs;
8. Continue to liaison with TCOMM-911 for dispatch services;
9. Continue to liaison with neighboring fire departments to provide mutual aid services and common operating procedures;
10. Continue partnering with other Thurston County Fire Agencies in Specialized Operations Rescue Team (SORT) to provide specialized rescue services to our citizens.

Training as Staffing Permits

1. Provide quality training to staff;
2. Monitor employee certifications as needed;
2. Oversee documentation of training requirements and delivery;
3. Develop a continuing fire education curriculum;
4. Continue training city employees in disaster preparedness;

5. Continue educational efforts with staff in the operation of the Emergency Operations Center.

Prevention as Staffing Permits

1. Provide formal fire code inspections;
2. Provide fire code support to the public and the Community Development Department;
3. Respond and investigate the cause and origin of all fires;
4. Continue cooperation with Tumwater Police Department on suspicious fires;
5. Provide quality public and in-house education programs to school children, businesses, city staff, and the general public as staffing permits.

Emergency Management

1. The Fire Chief will continue taking the lead role of the Director of Emergency Services;
2. Continue participation in the Emergency Management Council of Thurston County;
3. Continue training city employees in disaster preparedness;
4. Provide public education programs to include earthquake and other natural disasters;
5. Continue educational efforts with staff in the operation of the Emergency Operations Center;
6. Continue participation with the Homeland Security Region 3.

Resource Management



1. Maintain fire department records, data management, and archiving of the required documents;
2. Maintain budget data, payroll, and process of expenditures;
3. Coordinate bi-monthly payroll;
4. Coordinate public information;
5. Arrange and coordinate meetings, prepare agendas, and record minutes as required;
6. Keep Fire Chiefs informed of significant and important matters requiring their review/action;
7. Responsible for preparation of quarterly and annual reports within the timeframe set by the City;
8. Manage the fire database reporting program and prepare complex reports for specific data requested;
9. Assist in the preparation and documentation of preapproved leave as stated in the Local 2409 contract;
10. Process required permits for public events;
11. Prepare reports for the city budget process;
12. Process department expenditures;
13. Supervise and train other clerical employees to assure office work flow is maintained and office goals are met;
14. Coordinate department public education events.

2010 Accomplishments

1. Participated in the complete rewrite of Title 15 from the Tumwater Municipal Code adopting the 2009 International Fire Code and simplifying our local amendments to the code and streamlined the process. The result should be an easier more consistent and understandable process for the building community.
2. In partnership with the IAFF Local 2409 and the Washington State Fire Fighters Joint Apprenticeship and Training Committee (JATC), implemented an apprenticeship program whereby all new firefighters attend and earn college credit for an intensive 13-week academy and are then required to finish their AA degree within 3-years of hire. The result will be a much better educated work force to respond to help our citizens.
3. Provide bicycle helmet safety information to youth and parent/guardian/caregivers to the community. The department has bicycle helmets to offer free to the community which were obtained through a grant written to the West Region EMS & Trauma Council. Since the program's inception, the department capitalizes on the opportunity to engage individuals and their families to consistently practice bicycle safety through the use of a properly fit bicycle helmet.
4. Promote and expand the child passenger safety program while providing education to parents and caregivers and empowering them to confidently install child restraints as needed.
5. This year in order to establish and maintain good relationships, the department entered into a mutual aid contract with the Washington State Department of Natural Resources (DNR) to assist each other in controlling wildfires. The DNR has far more experience fighting wildfires and access to specialized equipment like bulldozers, hand crews and helicopters. The City can provide structural protection in return.
6. A specialized Special Operations and Rescue Team (SORT) was established with other fire service partners in Thurston County. The team has been well equipped and trained through Homeland Security Grants. On duty personnel make up the initial response and follow up is with off-duty staff if needed. By sharing the training and response, our team members gain valuable experience and the City does not have to purchase the expensive equipment itself.
7. The 1988 Aid Car, Ambulance, was surplus from its second life and donated to the City's sister city, The Town of Mubende, Uganda, to begin its third life as an ambulance. This is an area of Africa that currently uses a piece of plywood and a commandeered pick-up to transport the injured. This vehicle began its life as a paramedic vehicle for Thurston County Medic One.
8. On our path of providing quality Public Safety Services, the Fire Department completed a major rewrite of the City's Comprehensive Emergency Management Plan (CEMP) to be implemented during catastrophic events within the City. While the concepts stayed the same, the format was completely changed to better match up with the plans of our partners in Thurston County and the State of Washington.

INDEX Fire and Life Safety Master Plan Tumwater Fire Department March 2009 John Carpenter, Fire Chief	1	EXECUTIVE SUMMARY
	2	VISION - MISSION
	3	ORGANIZATIONAL DESIGN
	4	RISK ASSESSMENT
	5	EMERGENCY RESPONSE
	6	FIRE PREVENTION
	7	EMERGENCY PREPAREDNESS
	8	PERSONNEL DEVELOPMENT
	9	ADMINISTRATION
	10	FINANCE
	11	RATING BUREAU
	12	FACILITIES
	13	APPARATUS - EQUIPMENT
	14	PLANNING
	15	ACCOUNTABILITY

9. All of the major city buildings were inspected for non-structural earthquake hazards in 2010. Staff from Fire, Community Development, Parks and Facilities toured the buildings identifying issues to be dealt with prior to a major quake. Most of these items were taken care of immediately although some were long-term projects.

2011-2012 Goals

1. Continue to work on staffing the North End Fire Station in order to reduce response times City-wide and provide a higher quality of emergency service to our citizens, including researching funding options to support a higher staffing level of 10% staffing by May 2012.
2. Manage biannual update of the Fire Master Plan, overseen by a committee of citizens, business people and elected officials. The committee will review all aspects of the Fire Department including staffing levels, station location, response time goals, equipment, and impact fees. Incorporate changes to compliment the City Strategic Plan. It makes sense to tackle this goal after goal #3 is addressed.
3. Finalize the replacement of the two reserve engines and their equipment including updating the Self Contained Breathing Apparatus (SCBA). The plan is to go to Council in January 2011, bond election in the summer 2011, go to bid winter of 2011, award the bid spring of 2012 with delivery in spring of 2013.
4. Working with our partner, Thurston County Medic One, to upgrade the south county single paramedic SPRINT unit to a full two person Medic Unit during contract negotiations. While the cost will be negligible to the City, the Tumwater based unit will spend more time in Tumwater and less in South County thus improving response times for our citizens.
5. Train and exercise city staff on our revised CEMP and ultimately have City personnel, both staff and elected officials participate in the Thurston County Integrated Emergency Management Course (IEMC) at the National Fire Academy in Emmittsburg, MD. This will be a repeat of a course held in 2001, where 75 officials from the county learned how to handle a major event, a large earthquake, by cooperation among jurisdictions and using our CEMP's to coordinate and prioritize responses. A large part of the local training will be for the City as a whole to become NIMS compliant. This will also open the door for preparedness grants. Have appropriate city staff trained by May 2011
6. Continue establishing and maintaining good relationships with businesses and schools. The department seeks opportunities to expand and improve public education programs. Currently every kindergarten and first grade class gets a fire prevention training class each year in October. As resources allow, the department would like to explore expanding this to a high school or junior high school level class/event. This is very dependant on solving the North end fire station (T2) staffing issue.



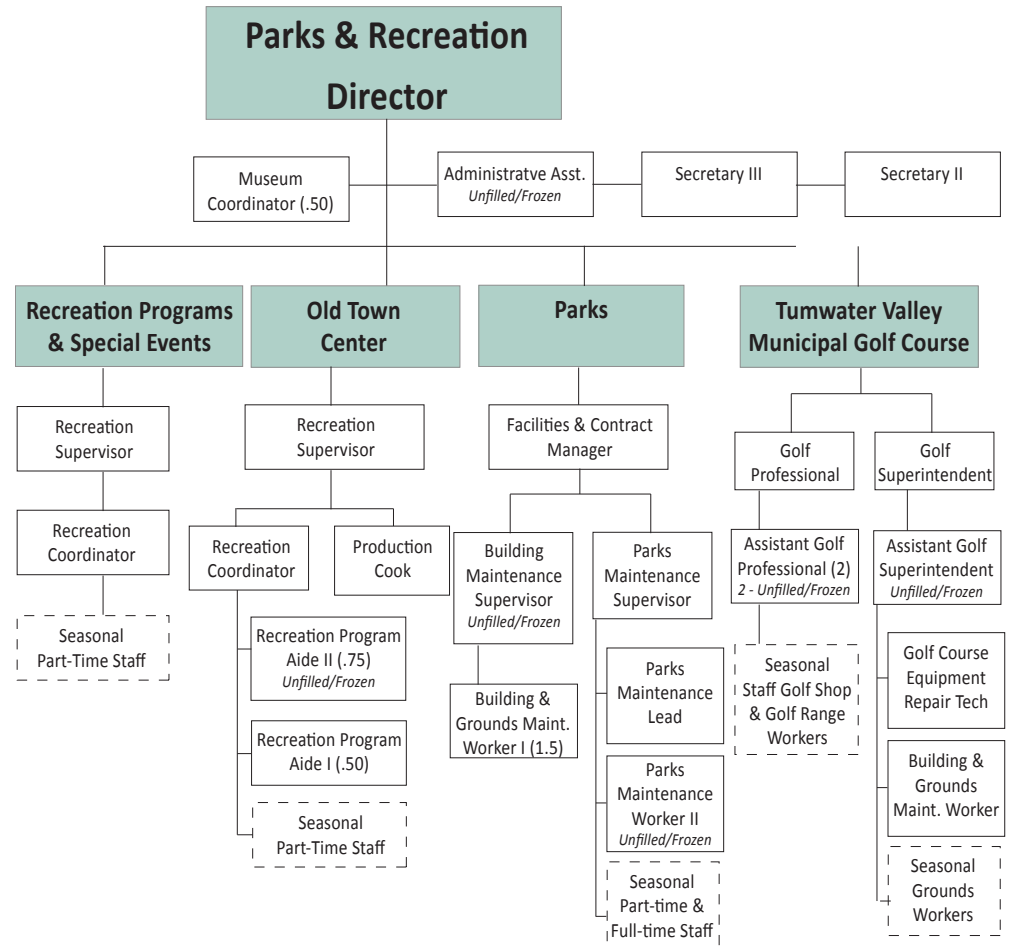
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PARKS & RECREATION DEPARTMENT Organizational Chart

FUNCTIONS

Parks & Recreation

- ◆ Provide Recreation Programs
- ◆ Expand Park Opportunities
- ◆ Youth Programs
- ◆ Senior Programs
- ◆ Special Events
- ◆ Operate and Maintain its Golf Course
- ◆ Park Acquisition & Development
- ◆ Maintain Parks and Open Space
- ◆ Maintain City Owned Facilities
- ◆ Operates the Henderson House Museum
- ◆ Organize and establish cultural heritage

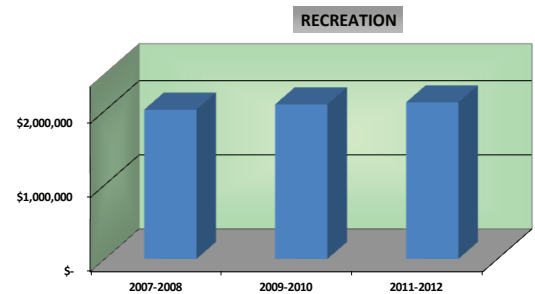


PARKS AND RECREATION

The Parks and Recreation Department's goal is to provide recreation and leisure programs that are comprehensive, enriching, and affordable for all citizens while creating a balance between active and passive recreation opportunities for all ages.

Our goal is to provide comprehensive Parks and Recreational services that are creative, beneficial and responsive to the needs of our community thereby improving and enhancing the overall quality of life in Tumwater for all citizens. We strive to offer a diverse program of activities, classes, instruction, trips/tours, historical programming and special events, throughout the year, that are enriching and affordable for all ages and abilities.

The Parks & Recreation Department is also responsible for securing funding for park development, new parks, open space, and trails, new recreational facilities and working with citizen groups and organizations to meet the recreational needs of the community. The Department operates and manages the City's Old Town Center as well as managing the operation and maintenance of the Tumwater Valley Municipal Golf Course. This 18-hole championship course provides the community with high quality, affordable recreational opportunities. The Department also maintains all City owned facilities, parks, buildings and historical houses.



Expenditure Summary					
<i>Parks & Recreation - Recreation Programs & Municipal Golf</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Parks & Recreation	\$960,230	\$1,052,499	\$1,034,760	\$1,049,273	\$2,111,175
Parks Facilities	1,190,783	1,186,589	1,156,071	1,121,980	2,258,254
Municipal Golf Course	1,842,152	2,461,612	2,668,172	1,692,074	3,937,021
Total Expenditures	\$3,993,166	\$4,700,700	\$4,859,003	\$3,863,327	\$8,306,450

Expenditure Summary					
<i>General Fund - Recreation</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$687,774	\$754,049	\$765,904	\$735,878	\$1,292,292
Supplies	79,453	58,027	55,986	61,300	132,565
Other Services & Charges	137,757	165,688	150,161	165,450	521,000
Intergovernmental	395	481	407	-	375
Interfund Charges	54,851	74,254	62,302	86,645	164,943
Total Expenditures	\$960,230	\$1,052,499	\$1,034,760	\$1,049,273	\$2,111,175



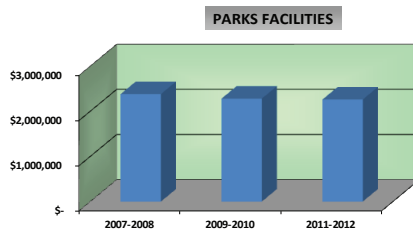
YOUTH RECREATION PROGRAMS

This fund was created to facilitate those monies specifically donated or garnered for the support of the city's youth programs; such as the Tumwater Youth Program (TYP), Tumwater Youth Council (TYC), or one of the many other programs provided by Parks & Recreation.

FACILITIES

The Facilities division's primary function is the ongoing maintenance and operation of City owned buildings:

- City Hall
 - City Operations and Maintenance Building
 - Henderson House
 - Crosby House
 - Old Town Center
 - Headquarters Fire Station T-1
 - North End Fire Station T-2
 - Tumwater Library
 - Facilities building
- and all other City-owned buildings.



Performance Measures/Activity

Facilities

	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Sq. Footage Bldgs.	109,591	109,591	109,591	109,591
Acreage Maintained	180	192	192	192
Sports Fields	7	8	8	8

Expenditure Summary

Parks Facilities

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$585,045	\$604,629	\$592,808	\$568,195	\$1,092,008
Supplies	87,737	84,740	78,192	76,265	152,530
Other Services & Charges	414,349	393,296	387,013	410,335	813,045
Intergovernmental	371	377	384	410	1,720
Interfund Charges	103,281	103,547	97,674	106,661	198,951
Total Expenditures	\$1,190,783	\$1,186,589	\$1,156,071	\$1,161,866	\$2,258,254

Performance Measures/Activity				
<i>Parks & Recreation</i>				
	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Youth Program	4,500	4,000	3,600	8,500
Youth Basketball	750	750	800	1580
Youth Baseball	250	120	120	240
Golf Rounds	38,697	36,092	31,357	66,000
Tournaments	84	78	40	36

PARKS

This Parks Division's primary function is the maintenance and improvement of City owned park facilities. This includes:

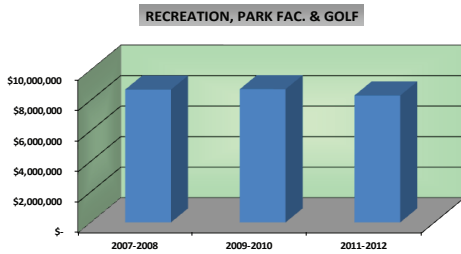
- Historical Park
- Pioneer Park
- West "V" Street Park
- 5th and Grant Park
- Overlook Point Park
- Palermo Park
- Tumwater Hill Park
- Jim Brown Park
- Barclift Park
- Union Cemetery
- Trosper Lake Park property
- Linwood Ave. property
- Carlyon Park
- Sapp Road Park property
- Loete Court Park
- BPA easement property
- "T" Street Park property
- Capitol 5000
- Mottman Road/Percival Creek property
- Town Center Park / Farmers Market site
- Desoto Canyon property

And all other City-owned land.

Ongoing Functions

- Provide staff support to the City Council, Parks Board, Historical Commission, Tumwater United for Families (TUFF) committee and other boards and commissions as required;
- Continue to seek grant funding sources for parks acquisition, development, and program expansion;
- Continue to expand opportunities for public recreation through use of school district facilities;





- Continue to increase public/private partnerships for development of recreational programs, special events, community events and facility development;
- Continue to create programs designed for youth, teens, adults, families, and seniors;
- Continue to create athletic recreational opportunities and leagues;
- Continue to improve the quality, reputation and profitability of the Tumwater Valley Golf Course;
- Continue to provide safe play structures in city parks;

Expenditure Summary					
Tumwater Valley Municipal Golf - Total					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Operations - Clubhouse	\$725,129	\$804,338	\$743,785	\$637,074	\$1,247,995
Maintenance	492,395	505,672	547,713	484,162	997,536
Debt Service	623,629	541,273	432,613	569,838	1,689,490
Capital Equipment & Construction	-	609,329	943,061	-	-
Capital Reserve \ Ending Fund Balance	1,000	1,000	1,000	1,000	1,000
Total Expenditures	\$1,842,152	\$2,461,612	\$2,668,172	\$1,692,074	\$3,936,021

Expenditure Summary					
Tumwater Valley Municipal Golf - Maintenance					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$290,087	\$321,566	\$346,758	\$325,150	\$640,536
Supplies	94,016	103,570	65,561	68,160	193,000
Other Services & Charges	108,292	80,536	135,394	90,852	164,000
Total Expenditures	\$492,395	\$505,672	\$547,713	\$484,162	\$997,536

Expenditure Summary					
Tumwater Valley Municipal Golf - Operations					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$246,853	\$267,847	\$306,656	\$262,373	\$384,298
Supplies	39,309	31,512	10,241	25,080	51,200
Other Services & Charges	375,651	409,084	293,409	242,471	589,592
Intergovernmental	5,384	5,733	4,869	4,361	11,973
Interfund Charges	57,932	90,162	128,610	102,789	210,932
Total Expenditures	\$725,129	\$804,338	\$743,785	\$637,074	\$1,247,995

- Continue Tumwater Youth program events, which attract approximately 5,000 participants annually;
- Continue use of school district facilities;
- Plan, organize and conduct the 4th of July Parade, Artesian Festival and Thunder Valley Fireworks Show;
- Continue to involve the community in park projects;
- Continue work on park development, including Pioneer, SW Neighborhood, the “T” Street Park, and the city trail system;
- Continue successful parks and recreation programs and special events;
- Continue to work on implementing the City’s adopted Parks, Recreation and Open Space Plan;
- Continue coordination of historic preservation efforts;
- Assist with the Historic Register processing;
- Continue maintenance of all city-owned buildings, parks and various open spaces;
- Continue to meet city departments requested work orders;
- Continue to maintain grounds for all city facilities, city parks and open spaces;
- Continue to provide regular historic/cultural programs and exhibits at the Henderson House Museum.



2010 Accomplishments

1. Began the design and engineering of the “T” Street to Tumwater Valley Drive portion of the Deschutes Valley Trail
2. Design and engineering of the Old Town Center Fire Sprinkler System
3. Organized and operated the most successful and attended 4th of July events.
4. Installation of the LOTT reclaimed water line to the golf course maintenance facility.
5. Organization, remodeling and painting of the golf cart barn.
6. Repair, re-building and painting of the driving range covered hitting building with existing staff.
7. Produced a book on the history of Tumwater.
8. Maintained the Henderson House and other historic sites.

2011-2012 Goals

1. Increase communication and reporting of department operations to Council Committees and Parks Commission.
2. Explore a dedicated funding source for existing and new parks and recreation facilities, trails, public art and programs as outlined in the adopted Parks, Recreation and Open Space Plan.
3. Implement department wide NIMS training for emergency preparedness and special events.
4. Investigation of potential trail and trail link projects for completion by sponsorship, donation, volunteers or joint projects.
5. Investigate funding strategies/partnerships for park play toy replacement and improvements.
Increase interdepartmental communication with park maintenance staff to focus on current user needs and schedules.
6. Improve park maintenance standards and employee scheduling to maximize



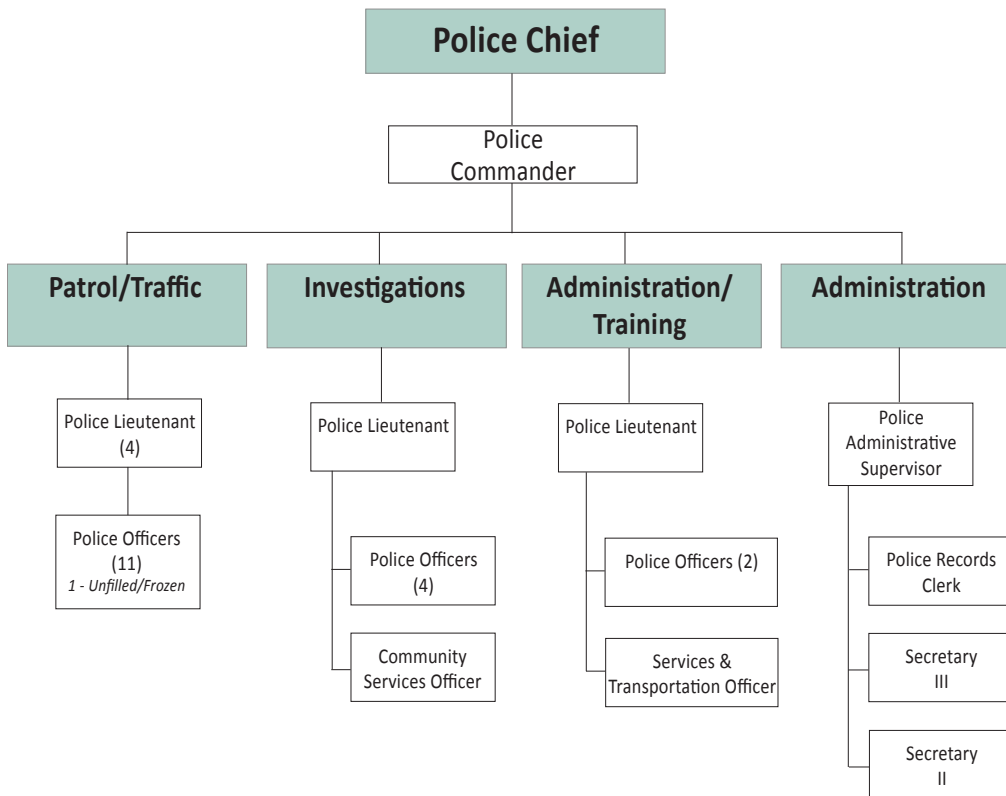
facility use.

7. Use grant monies for the development of a historic school curriculum and website.
8. Improve monthly reporting to City Administrator, Parks Commission and elected officials.
9. Limit expenditures while taking advantage of opportunities to improve golf course operations.
10. Ongoing – utilize work crews, volunteers and outside organizations to assist with special projects.
11. Increase revenues through marketing, public relations and partnerships with the golf course restaurant.
12. Seek opportunities to develop a detailed marketing plan for the golf course. As time and funding allows, this plan will be developed and include staff training and implementation.
13. Utilize technology improvements for marketing, tracking, communication, customer service, and inventory control. February 2011 – as funding allows, maximizing the use of technology can lead to lower costs, better accuracy and higher return.
14. With Capital Facility Plan money, and donations from the community, convert the Henderson House Museum into a period house museum consistent with prior City Council direction to establish such.
15. Work with the Historical Commission and local business owners to improve the appearance of the Union Cemetery.

POLICE

DEPARTMENT

Organizational Chart



FUNCTIONS

Patrol/Traffic

- ◆ Preliminary Investigation
- ◆ Calls for Service
- ◆ Apprehend Violators
- ◆ Traffic Enforcement

Investigations

- ◆ Investigative Follow-up
- ◆ Major Crime Cases
- ◆ Property Room
- ◆ Drug Enforcement

Administration/Training

- ◆ Scheduling
- ◆ Training
- ◆ Crime Prevention
- ◆ Community Outreach

Administration

- ◆ Planning
- ◆ Budgeting
- ◆ Directing
- ◆ Inspection
- ◆ Records Management

POLICE DEPARTMENT



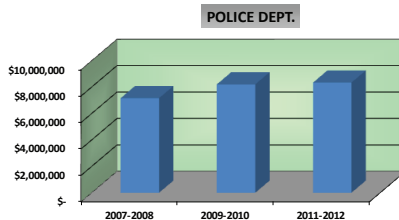
The Police Department is responsible for maintaining law and order and providing police services to the community, under the direction of the Police Chief. The agency provides for the preservation of life, protection of property, and reduction of crime.

The department is organized into four areas that are:

ADMINISTRATION

The Administration unit provides the overall management and administrative direction, planning, budgeting, and inspection for the Department. Also included in this division is the record management function which maintains incident reports, and records necessary for the effective operation of the Department. The unit handles telephone and personal requests for service from the public at the station.

The city uses the Nisqually and Thurston County jails for holding and incarceration of defendants. The City is a member of Thurston County Communications "CAPCOM" for all Public Safety dispatch needs. The City is also a partner of Thurston County Joint Animal Services.



ADMINISTRATION/ TRAINING

This unit is responsible for scheduling and training of the officers and supervision of the Traffic Unit and Services Transport Officer

PATROL

The Patrol unit deters and detects crime, apprehends violators and renders other services designed to provide public protection. This is accomplished by preventive patrol, response to calls for service and preliminary investigation and follow-up of reports and crimes.

Expenditure Summary					
<i>Police</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$2,707,137	\$2,917,916	\$3,287,574	\$3,345,932	\$6,564,960
Supplies	98,012	82,432	45,024	87,171	261,084
Other Services & Charges	129,537	118,393	128,048	100,717	255,922
Intergovernmental	125,357	126,103	171,780	201,771	275,000
Interfund Charges	426,461	418,514	412,409	394,313	960,696
Capital Outlay	-	-	-	19,761	10,000
Total Expenditures	\$3,486,504	\$3,663,358	\$4,044,835	\$4,149,665	\$8,327,662

TRAFFIC

The Traffic unit promotes traffic safety and reduces traffic incidents. This is accomplished by enforcement of traffic laws, investigation of traffic accidents, and public education.

INVESTIGATION

The Investigative unit conducts follow-up activities for serious cases, provides investigative assistance to the Patrol unit, and investigates major crime scenes. This unit enforces narcotics violations through participation in the Thurston County Joint Drug Enforcement Unit (JDEU), performs crime analysis and manages the property room.

DRUG FUND

The Drug Enforcement Fund was established by Ordinance 1345 in December 1992 and codified as Tumwater Municipal Code Section 3.36.200.

This fund is to receive all proceeds from the sale of property seized during drug investigations and forfeitures pursuant to RCW 69.50.050.



Ongoing Functions

- Continue administration of the patrol, traffic and investigative programs;
- Continue the development of community - police interaction;
- Continue such community partnerships as officer - neighbor problem identification and school visits;
- Promote community safety through education and enforcement of traffic and criminal laws;
- Continue to provide security to school sporting events;
- Continue community crime prevention programs;

Performance Measures/Activity				
Police				
	2008 Actual	2009 Actual	2010 Actual	2011-2012 Proposed
Neighborhood Associations	5	5	5	10
Radar Reader Board Use	40	40	40	80
Community Presentations	15	15	20	50
Citations	3,440	3,915	3,643	7,200
Adult Arrests	897	1,014	1,314	2,400
Juvenile Arrests	115	91	112	200
Misdemeanor Arrests	n/a	962	1225	2,250
Felony Arrests	n/a	143	201	350
Calls for Service	20,738	12,070	12,384	24,300
Self-Initiated Activity	n/a	18,079	18,057	36,100
Uniform Crime Report Clearance Rate	26.00%	29.00%	24.00%	26.00%



- Continue development of in-house staff through training;
- Continue the career development of the officers and staff;
- Continue the development of the training systems within the department.

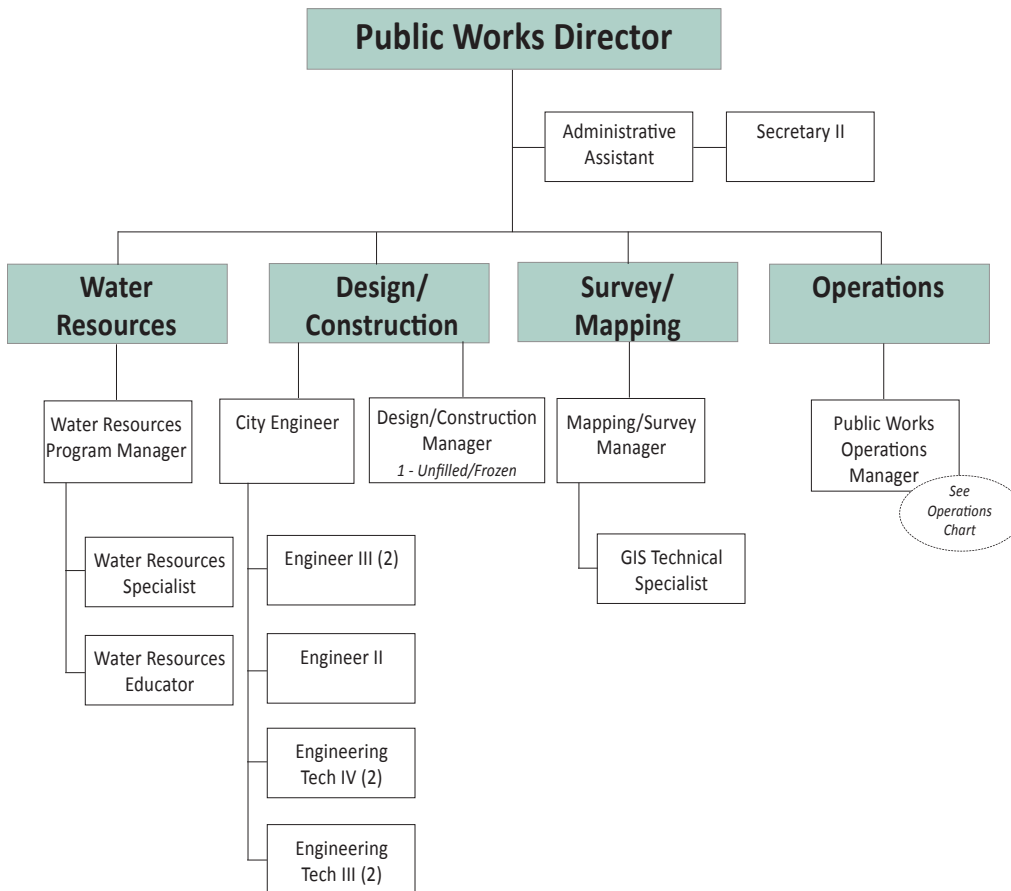
2010 Accomplishments

1. Implementation of a new Standard Operating Procedures manual. This upgrade modernizes a manual that was a minimum of 6-10 years out of date and was the result of 1.5 years of staff time.
2. The Police Department evidence room and evidence garage were upgraded for enhanced storage capabilities. This modernization ensured the proper handling of evidence and property. The Police Dept also purchased and completed outfitting a new evidence trailer that will enhance crime scene investigation capabilities in the field.
3. A new records management system was purchased by the consortium consisting of Olympia, Lacey, Tumwater, Yelm and Tenino police departments. This top of the line product will enhance overall police function and efficiencies.

2011-2012 Goals

1. With federal funding, reinstate the School Resource Officer Program in the area high schools.
 - a) Reestablish a formal working relationship/partnership with the Tumwater School District
 - b) Allow one on one interaction between high school age young adults and the police
 - c) Provide education and support to Tumwater School District students
 - d) Reduce the amount of time general patrol staff and detectives spend on calls for service at the schools
2. Conduct a L.E.M.A.P. evaluation of department policies and operating procedures.
 - a) To identify and correct any issues that could incur liability to the agency
 - b) To affirm those areas where we are within compliance
 - c) To define standards of achievement in order to ensure excellence in law enforcement
 - d) To prepare for accreditation with the Washington Association of Sheriffs and Police Chiefs
3. Make organizational changes to the civilian office staff in order to achieve efficiencies and better operating practices.
4. Work with other departments and administration to plan, design, and seek funding for an expanded or renovated police facility in order to provide adequate space for police operations and safety for officers and prisoners.
5. Seek ways to increase police and community interaction through events like National Night Out, Police Citizens Academy, and community meetings, as funding permits.

PUBLIC WORKS ENGINEERING Organizational Chart



FUNCTIONS

Water Resources

- ◆ Water Quality
- ◆ Water Rights
- ◆ Regulatory Compliance

Design/Construction

- ◆ Project Planning
- ◆ Construction Management
- ◆ Contract Administration
- ◆ Funding
- ◆ Design

Survey/Mapping

- ◆ Survey
- ◆ Drafting
- ◆ Inspection

PUBLIC WORKS

OPERATIONS

Organizational Chart

FUNCTIONS

Collections Department

- ◆ Storm & Waste Water Collection
- ◆ Street Sweeping

Water Department

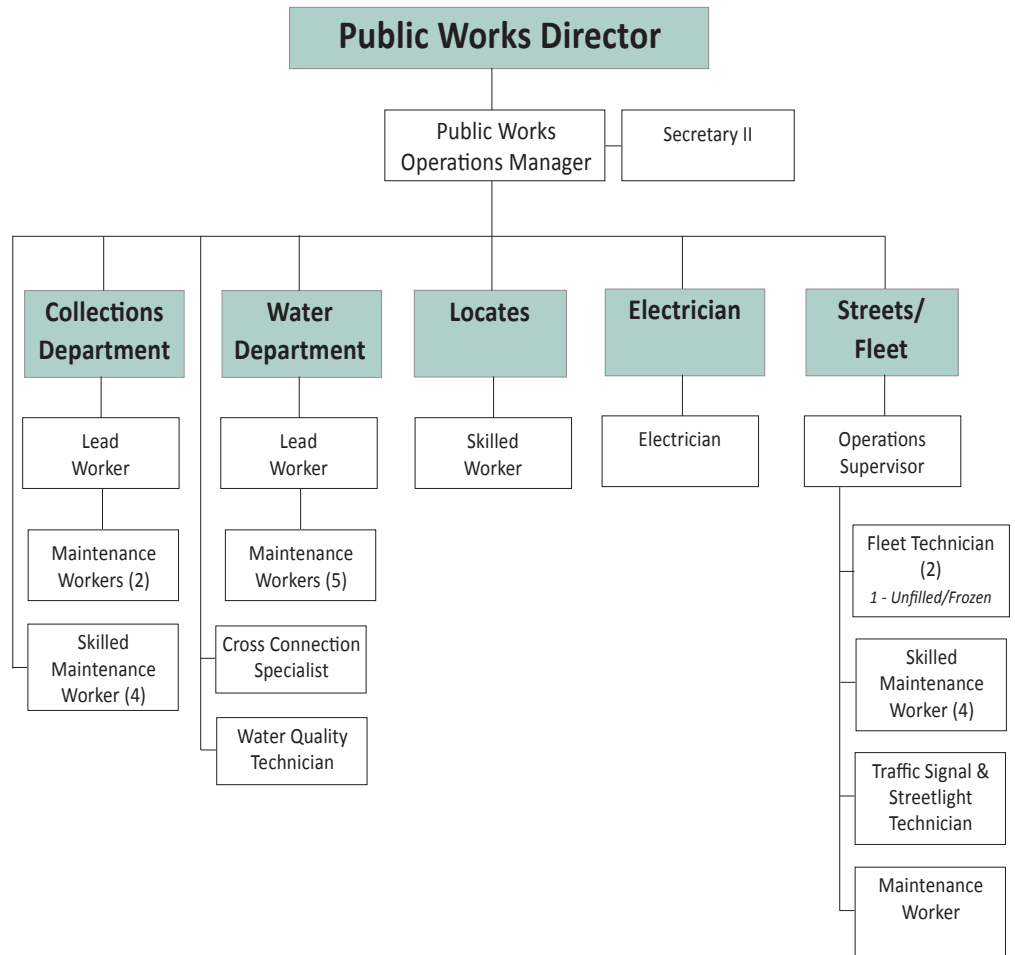
- ◆ Water Systems Distribution

Locates

- ◆ Sewer
- ◆ Water System Distribution
- ◆ Storm
- ◆ Electrical

Streets/Fleet

- ◆ Street Maintenance
- ◆ Equipment Maintenance



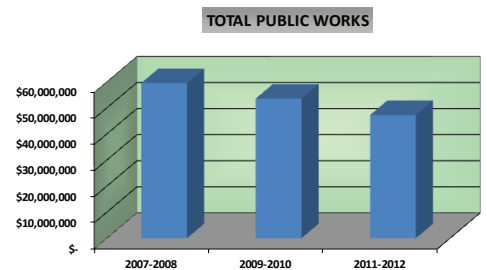
PUBLIC WORKS DEPARTMENT

The Public Works Department is responsible for providing a wide variety of services to the citizens of Tumwater. These include services in the areas of transportation, water, sanitary sewer and storm drainage. The work efforts of the department, together with the associated funding, are included in the City budget and contained within several funds. The funds involved include the General Fund, which provides funding for Engineering and Streets, and the individual enterprise or utility funds, which provide funding for Water, Sewer and Storm Drainage.

The Public Works Department is comprised of two divisions: the Engineering Division and the Operations & Maintenance Division. The Engineering Division is responsible for overall management of the Public Works Capital Facilities Plan projects and the administrative aspects of the utility and transportation systems. The Operations & Maintenance Division is responsible for the maintenance, operation and repair of the transportation and utility infrastructure, and maintenance and repair responsibilities for City vehicles and equipment included in the Fleet & Equipment Management Fund.

Ongoing Functions

- Participation in regional planning efforts;
- Public involvement and education;
- Enhanced communications and working relationships with other City departments and elected officials to better serve the needs of the citizens;



Expenditure Summary <i>Public Works - By Type</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$2,338,543	\$2,498,396	\$2,887,573	\$2,960,484	\$6,080,667
Supplies	594,659	643,915	553,676	618,265	1,026,350
Other Services & Charges	1,177,809	1,411,127	1,404,032	1,250,954	3,149,140
L.O.T.T. Pass-thru	3,827,697	3,716,882	3,315,076	3,918,294	8,572,903
Interfund Loan Issued	199,567	768,900	1,115,579	309,787	295,000
Intergovernmental	355,432	400,864	373,596	410,783	948,611
Interfund Charges	1,317,576	1,612,431	1,315,928	1,428,466	2,739,500
Debt Service	634,314	636,563	640,448	627,453	1,098,451
Capital Equipment & Construction	1,675,840	4,272,090	1,323,547	4,442,731	5,372,643
Capital Reserves \ Ending Fund Balance	16,328,719	14,123,184	13,147,310	10,569,695	8,700,987
Total Expenditures	\$28,450,156	\$30,084,352	\$26,076,765	\$26,536,912	\$37,984,252

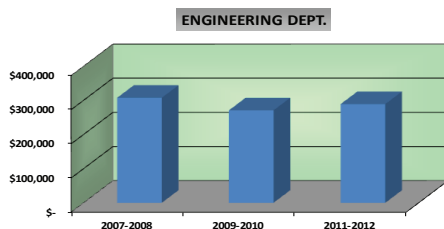
- Assistance and support to the citizens of the City on public works issues;
- Support to administration and elected officials to better allow them to make informed decisions;
- Development, implementation and management of the public works elements of the Capital Facilities Plan;
- Management, operation and maintenance of transportation and utility infrastructure;
- Interdepartmental support for graphics, surveying, project management and other needs;
- Pursuit of outside funding through grants, loans and public/private partnerships;
- Interagency cooperation and assistance.

GENERAL FUND –ENGINEERING

This fund provides the resources for the overall administration of the Public Works Department. The work efforts completed and the expenses incurred within this fund are generally not directly attributable to the utility funds or capital construction projects.

The duties associated with this fund include:

- Departmental administration and planning;
- Development review support;
- Graphics support;
- Citizen requests;
- Interdepartmental support;
- Surveying and land descriptions.



Expenditure Summary					
<i>Engineering \ Administration</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$97,664	\$91,963	\$64,605	\$77,317	\$171,598
Supplies	3,833	2,397	1,374	2,808	7,600
Other Services & Charges	3,483	4,355	3,063	3,553	5,760
Interfund Charges	47,321	56,131	49,963	67,792	103,810
Total Expenditures	\$152,301	\$154,846	\$119,005	\$151,470	\$288,768

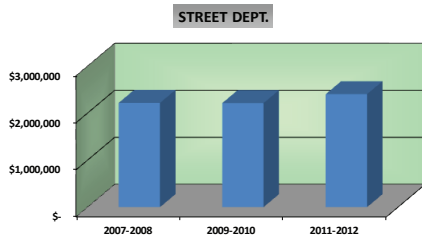
2010 Accomplishments

1. In partnerships with Planning & Facilities, Police and Fire, developed and implemented neighborhood traffic strategies to work with neighborhoods in order to identify, assess and resolve traffic issues.
2. Improved the transmittal of information to the community and provided enhanced feedback opportunities through the use of available technology resources.
3. Acquired and updated City maps including new aerials with city limits and growth boundaries. Aerial mosaic was created and new maps were printed and installed in City facilities. Continued development of plan to create GIS in ArcGIS format and a parcel information database.

2011-2012 Goals

1. Begin development of strategic business plans for all divisions within Public Works to create efficient and sustainable operating strategies.
2. Continue to enhance communication/interaction with citizens using technology and other innovative approaches in addition to more traditional methods.
3. Update development guidelines and standards to reflect community vision and increase environmental protections.
4. Reformat the Capital Facilities Plan in conjunction with the update of the Comprehensive Plan to provide stronger ties between infrastructure improvements, land use and the City's desire to promote economic development and quality of life.
5. Promote employee growth through improved employee involvement, training and performance management.
6. Develop the GIS mapping system for all Public Works infrastructure to assist in the evaluation and development of more efficient operations and maintenance programs and to integrate GIS requirements with the needs of other departments.
7. In order to promote the development of the Tumwater Town Center, investigate and identify potential relocation sites for Public Works Operations in coordination with facility needs of other departments.

GENERAL FUND – STREETS



The Street Fund is responsible for the administration and maintenance of the City's transportation network, which includes approximately 104 miles of public roadways together with roadside improvements, sidewalks, bicycle facilities, and signalization and illumination systems. The duties associated with this responsibility include:

- Street sweeping;
- Roadside vegetation management and mowing;

Expenditure Summary

Street

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Administration	\$151,553	\$188,314	\$153,808	\$201,191	\$341,111
Operations	1,110,832	1,103,591	1,100,697	1,108,818	2,400,782
Total Expenditures	\$1,262,386	\$1,291,905	\$1,254,505	\$1,310,009	\$2,741,893

Expenditure Summary

Street - Administration

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$129,947	\$152,726	\$128,623	\$164,536	\$236,957
Supplies	832	412	19	1,089	2,500
Other Services & Charges	680	736	240	2,877	57,860
Intergovernmental	7	7	15	17	50
Interfund Charges	20,087	34,433	24,911	32,672	43,744
Capital Outlay	-	-	-	-	-
Total Expenditures	\$151,553	\$188,314	\$153,808	\$201,191	\$341,111

Expenditure Summary

Street - Operations

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$498,136	\$511,436	\$517,511	\$480,393	\$949,762
Supplies	100,163	84,446	72,277	107,247	265,650
Other Services & Charges	295,871	310,688	339,156	339,171	729,334
Intergovernmental	-	-	-	-	22,300
Interfund Charges	216,662	197,021	171,753	182,007	353,901
Capital Outlay	-	-	-	-	79,835
Total Expenditures	\$1,110,832	\$1,103,591	\$1,100,697	\$1,108,818	\$2,400,782

- Landscape maintenance;
- Pavement and shoulder repair;
- Pavement markings;
- Snow and ice control;
- Traffic signal and illumination system maintenance;
- Signage;
- Traffic counts;
- Transportation planning;
- Traffic control and support for special events;
- Bridge maintenance and repair;
- Street tree maintenance.

2010 Accomplishments

1. Reprioritized infrastructure maintenance needs based on reduced resources to meet safety, mobility and regulatory requirements; completed the identification, assessment and database update of traffic control signs as required by the MUTCD and converted two traffic signals to LED illumination.
2. Furthered regional partnerships through the execution of an Interlocal Agreement with Thurston County to share resources and improve efficiencies in providing necessary services such as pavement markings, street repair and the expansion of fiber optic conduit infrastructure.
3. Transportation planning efforts resulting in adoption of the annual Transportation Improvement Plan, Capital Facilities Plan, Transportation Impact Fee Program and submittal of grant funding applications.

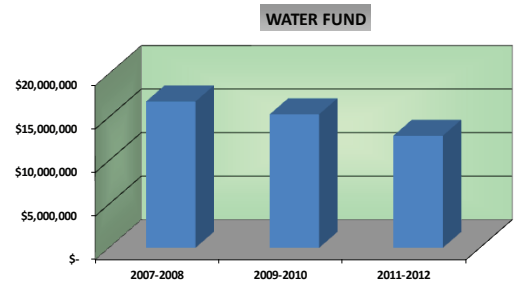
2011-2012 Goals

1. To sustain the existing transportation infrastructure in the most cost effective manner and protect Tumwater roadways from excessive degradation, develop and recommend Pavement Management alternatives that include reliable and sustainable funding mechanisms. Due to limited staffing and financial resources, assess and prioritize operations and maintenance programs based on community goals, balanced with the need to provide for safety, mobility and meet regulatory requirements. Programs include:
 - a) Pavement Maintenance and Repair
 - b) Roadside Landscaping and Maintenance
 - c) Right-of-Way Maintenance
 - d) Roadside Mowing
 - e) Street Sweeping
 - f) Street Sign Inspection & Maintenance
 - g) Street Light Inspection & Maintenance
 - h) Traffic Signal Inspection & Maintenance
 - i) Snow & Ice Control
2. Continue assessment, development and implementation of best management practices to reduce environmental impacts related to transportation, including:
 - a) Review and update street and landscape standards to promote effective

- stormwater management, reduce maintenance and irrigation needs and further community goals, utilizing drought-tolerant vegetation to the extent practical.
 - b) Coordinate an interdepartmental review and update of snow and ice control policies, procedures and products to address community needs and values and environmental impacts of chemical de-icers.
 - c) Develop an Integrated Pest Management Plan detailing best management practices for the appropriate use of pesticides and fertilizers in roadside applications.
 - d) Review opportunities and develop best management practices for disposal and/or use of street sweepings. Where feasible, provide access to clean materials and debris for use by other departments.
3. To improve community relationships and encourage citizen involvement and awareness, enhance communications and public involvement opportunities.
 - a) Develop a multi-faceted communications strategy using available media, such as social networking, web marketing and traditional media opportunities to increase awareness of traffic impacts, construction projects, and program and planning efforts.
 - b) Investigate opportunities to engage citizen involvement through volunteer activities such as litter pickup, landscape maintenance and right-of-way beautification projects.
 4. To sustain the existing transportation infrastructure and meet regulatory requirements, implement an inspection and maintenance program for traffic control devices to include retro-reflectivity measurements as required by the 2009 MUTCD.
 5. In order to leverage limited resources to expand and maintain the transportation system, continue to seek out funding opportunities including grants, partnerships, and potential funding sources created by the legislature such as Transportation Benefit Districts.
 6. To meet statutory and City defined levels of service for transportation capacity, to provide predictability for both City and private development needs and to recognize multi-modal transportation choices, review and improve the existing concurrency management system.
 7. Work with the Parks & Recreation Department and the Olympia Tumwater Foundation to design a trail connection through Historical Park and connecting to the planned trail along the Golf Course.
 8. Work with the Community Development Department, Thurston Regional Planning Council (TRPC), and the Tumwater School District on the Safe Routes to School Program and improvements around schools that would improve walkability, pedestrian safety, bicycle access, and connections to the surrounding neighborhoods. Funding for the improvements could come from City pedestrian funds, street projects initiated by the City or private parties, or grants.
 9. Explore options for extending trails as part of large subdivisions and major developments within the City. Utilize impact fee credits and other measures as feasible to acquire and improve these segments.

WATER FUND

The Water Fund is an enterprise fund that provides for all aspects of operating the City's water utility including operation, maintenance, administration and capital construction. The fund is independent in that all revenues generated by the utility are used to cover expenses incurred by the utility, and conversely, utility revenues must support all expenses incurred by the utility.



Expenditure Summary

Water Fund

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Administration	\$787,796	\$965,780	\$1,125,600	\$1,080,760	\$2,415,801
Operations	1,568,038	1,698,003	1,663,308	1,872,594	3,595,210
Debt Service	464,133	466,733	469,480	460,634	911,968
Capital Equipment & Construction	311,576	2,734,594	962,779	3,053,610	3,749,528
Water Revenue Bond Reserve	383,560	383,560	383,560	383,560	767,120
Capital Reserve \ Ending Fund Balance	8,859,562	7,022,588	6,691,622	3,864,844	1,421,409
Total Expenditures	\$12,374,665	\$13,271,258	\$11,296,349	\$10,716,002	\$12,861,036

Expenditure Summary

Water Fund - Administration

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$166,281	\$231,891	\$332,622	\$282,092	\$584,887
Supplies	10,247	3,911	3,603	9,921	35,000
Other Services & Charges	131,632	105,190	85,728	75,640	302,463
Intergovernmental	208,472	232,247	227,378	243,601	581,436
Interfund Charges	271,163	392,541	476,269	469,506	912,015
Total Expenditures	\$787,796	\$965,780	\$1,125,600	\$1,080,760	\$2,415,801

Expenditure Summary

Water Fund - Operations

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$609,579	\$635,261	\$696,361	\$742,494	\$1,646,935
Supplies	380,598	466,375	383,217	398,129	420,100
Other Services & Charges	514,074	489,935	490,313	634,056	1,317,818
Interfund Charges	63,787	106,432	93,417	97,915	210,357
Total Expenditures	\$1,568,038	\$1,698,003	\$1,663,308	\$1,872,594	\$3,595,210



The City of Tumwater provides water service to approximately 7,000 accounts within an area of approximately 12 square miles, both inside and outside the city limits. Some of the ongoing functions of providing this service are:

- Insuring a high quality water supply through regular monitoring, treatment, main flushing and cross-connection programs;
- Timely performance of emergency repairs;
- Ground and surface water protection and enhancement;
- Water supply planning;
- Preventive system maintenance and repair;
- Meter replacement and testing programs;
- Meeting the needs of new development through installation of new services and meters;
- Providing for system expansion and improvements to meet the needs of existing and new customers;
- Conservation programs;
- Wellhead protection implementation and monitoring programs;
- Response to customer issues;
- Fire hydrant and valve maintenance and upgrades;
- Contractor assistance.

Existing water system facilities include twelve operating groundwater wells, five reservoirs in three pressure zones, two treatment plants, three booster stations and a pipeline distribution network.

Source of Supply

All of Tumwater's water is supplied from groundwater through wells located in various areas of the City.

The Palermo Wellfield

The Palermo wellfield consists of six wells of varying depths and is situated in the Tumwater Valley adjacent to the Deschutes River. Palermo historically serves as the primary water supply for the City.

In the summer of 1993 routine water sampling revealed the presence of trichloroethylene (TCE) in three of the wells at the Palermo wellfield. Since that time, the City has implemented an operating and treatment strategy in coordination with the United States Environmental Protection Agency (EPA) to minimize the risk of contamination of the wellfield. This strategy has proved successful to date.

In 1999, the City and the EPA completed emergency cleanup activities and construction of treatment facilities. The City has not detected any contaminants entering the distribution system from the six Palermo wells since. Aeration treatment at the wellfield also accomplishes the goal of corrosion control as mandated under the federal Safe Drinking Water Act.

In 2010, the City completed major upgrades at the Palermo wellfield and all other

water production sites, to enhance treatment and further protect the water supply by adding sodium hypochlorite, a commonly used disinfectant.

The Port and Bush Wells

The remainder of the City's wells are located in the southerly portion of the City. Currently there are six wells in operation in this area with a total usable yield of approximately 4,100 gallons per minute. These wells are monitored as required under state and federal regulations.

Wells 12 and 14, located near the Bush Middle School, came on line in 1995 with a rated yield of 3,000 gallons per minute. Production at the Bush wells has been limited by the capacity of the aeration treatment system and related infrastructure. In 2000, an air-stripping treatment facility was constructed as a component of Tumwater's corrosion control program to adjust the pH factor of the water produced from the Bush wells. Since the treatment facility was placed into service, pH levels have consistently been just above 8.0 system-wide, resulting in corrosion control as required by the federal Safe Drinking Water Act. A City-wide corrosion control monitoring program, in place since 2000, shows the treatment is effective in maintaining pH at the appropriate level.



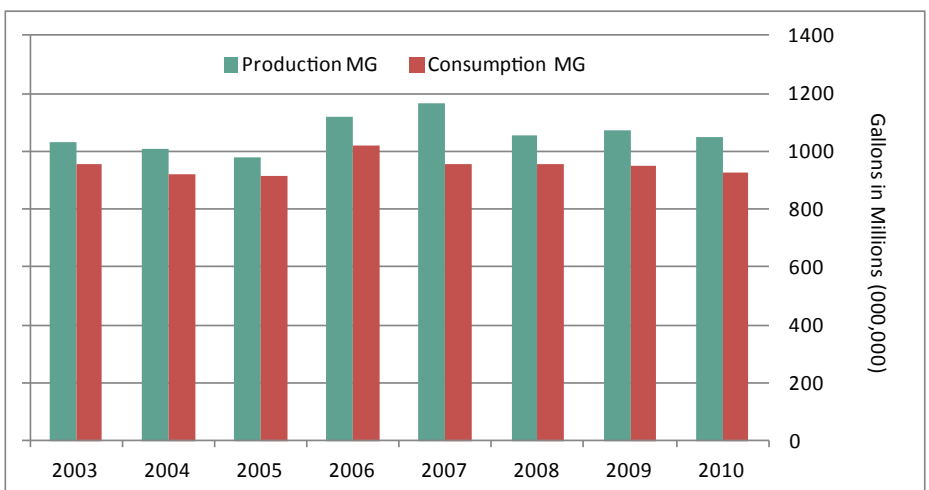
System Growth

The water system has grown at a rapid rate over the years. To keep up with this growth, major improvements made are routinely made to the system, including the addition of storage tanks, permanent disinfection and process-control improvements. These improvements allow the City to provide enhanced water service, treatment and fire protection to the City. Even during extended hot weather periods, we have been able to meet peak demand by relying on our voluntary conservation programs and continued public information and education efforts.

Growth also requires the City to evaluate new supply sources. Since 2004 Tumwater has conducted test well drilling for new wellfields located in the southwest and the northeast areas of the City.

In 2009 and 2010, the City acquired two small, private water systems located within its service boundary. Planning is currently underway to integrate these systems into the City's primary distribution network. Also in 2010, the City acquired additional water rights from the former Olympia Brewery to help offset growing needs for potable water. The cities of Tumwater,

WATER DEMAND			
Year	Production MG	Consumption MG	% of Loss
2003	1031	958	7.0%
2004	1009	918	9.1%
2005	978	915	6.0%
2006	1118	1019	8.8%
2007	1164	956	17.9%
2008	1056	958	9.4%
2009	1071	948	11.5%
2010	1050	925	11.9%





Lacey and Olympia are currently evaluating options to put this water to use for our customers.

Residential Demands

Residential customers are the largest water user group in Tumwater, accounting for approximately 88% of all users and about 52% of water used.

Water delivered to single-family residential customers is used for domestic purposes and irrigation. Average demand doubles – sometimes triples – during the summer months and is responsible for the majority of difference between the system’s maximum day demand and average day demand. During these high demand periods, Tumwater residents are generally responsive to requests for conserving resources, further extending the availability of our water.

Commercial (Non-Residential) Demands

All non-residential users fall under the commercial customer classification according to Tumwater’s billing system.

The major commercial users within Tumwater are beverage suppliers, schools, hotels, restaurants, and government agencies. Industrial, commercial, and institutional (ICI) customers, including schools, account for approximately 9% of all users within Tumwater’s water system and about 37% of water used. Unlike residential demand, water demand from these customers is more uniform throughout the year. Industrial, commercial and institutional facilities that irrigate large landscaped areas are evaluated annually to ensure efficient irrigation practices. Working with the regional sewerage authority, the City encourages all ICI customers to conserve resources through financial and social marketing programs.

Wellhead Protection and Water Conservation

WATER CUSTOMERS <i>By Category</i>			
<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
2003	4,716	717	5,433
2004	5,000	739	5,739
2005	5,256	764	6,020
2006	5,386	812	6,198
2007	5,546	854	6,400
2008	5,692	875	6,567
2009	5,918	883	6,801
2010	6,091	908	6,999

Tumwater has an established wellhead protection program to help protect the source of our water supply from contamination. Since all of our drinking water supply comes from groundwater, we have identified areas around our wells where precipitation and surface waters recharge our groundwater aquifers. We routinely monitor water quality in these areas, identify potential sources of contamination as required under the federal Safe Drinking Water Act, and regularly work with property owners and regulatory agencies to initiate cleanup of contaminated sites as needed.

As part of our wellhead protection program, the City has passed multiple ordinances to establish some restrictions on new land uses in wellhead

protection areas, and remove existing, non-conforming uses, all in an effort to protect our drinking water. City staff works with project proponents of regulated businesses to identify engineering and management practices that protect our groundwater.

Conservation programs have been established to make the most of our water resources. Since 1997, with substantial funding provided by the LOTT Clean Water Alliance, Tumwater has been an active participant in regional water conservation and wastewater flow reduction programs, such as the ultra-low flush toilet giveaway, WashWise washing machine rebates, Water Smart Technology incentive program, and commercial water audits.

In addition to the varied indoor and outdoor conservation programs available to our customers, the City's Operations & Maintenance Division has developed a program for leak detection that reviews the entire City water system over a three-year cycle. All detected leaks are repaired, and all City departments are encouraged to review their water use for efficiencies.

Water Quality

The City of Tumwater regularly tests the water supply for more than 100 different substances, reporting these results annually in the Water Quality Report.

In 2005, the City detected coliform bacteria in multiple locations within the system. Working with state agencies, the City completed major capital and operational changes to the system, including the permanent chlorination of the water. This disinfection of the water ensures our customers continue to receive safe, high quality water.

Water Rates and Charges

All meter sizes are charged a monthly base rate, plus an additional fee based on the amount of water consumed. The consumption-based rate provides an incentive for residential customers to conserve water by charging higher rates for higher quantities of water used. A table is provided to illustrate the inverted block rate. The monthly base and consumption rates were increased 5% in 2011.

Certain qualified senior citizens and low-income disabled individuals are eligible to receive a discount of 50% of their monthly water bill.

WATER CONSUMPTION - Cubic Feet

Year	Commercial	Residential	Total
2006	76,999,800	59,243,000	136,242,800
2007	62,267,800	65,546,400	127,814,200
2008	61,976,100	66,065,500	128,041,600
2009	59,241,600	67,528,500	126,770,100
2010	55,666,300	67,145,000	122,811,300

Monthly Base Charges Within the General Service Area

Meter Size	Current Charge
3/4"	\$6.02
1"	\$10.21
1 1/2"	\$20.87
2"	\$33.50
3"	\$63.19
4"	\$105.56
6"	\$210.39

Access Charges

Meter Size	Connection Fee	Installation Fee	Drop-in Charge
3/4"	\$3,396	\$1,435	\$295
1"	\$5,773	\$1,620	\$350
1 1/2"	\$11,017	\$2,725	\$450
2"	\$17,997	\$2,930	\$600
3"	\$33,957	See Note 1	See Note 2
4"	\$56,594	See Note 1	See Note 2
6"	\$113,077	See Note 1	See Note 2
8"	\$282,889	See Note 1	See Note 2
10"	\$430,260	See Note 1	See Note 2
12"	\$656,412	See Note 1	See Note 2

Note 1: For meters larger than two inches (2"), the charge will be the actual cost of labor and materials for furnishing and installing the meter, plus an amount equal to 25% of the cost of the labor and materials for overhead expenses.

Note 2: Drop in charges for meters larger than two-inches (2"), the charge will be the actual cost of labor and materials for furnishing and installing the meter, plus an amount equal to 25% of the cost of labor and materials for overhead expenses.



A surcharge of 40% on the in-City rate is assessed to those users located in unincorporated areas of Thurston County. However, no surcharge is levied to those users who have signed a power of attorney agreement with the City to petition in favor of annexation to the City.

The charge for the connection fee to the system for new development increased in 2011 by 5% to \$3,396 for a ¾-inch meter (the size meter installed to serve single-family homes). As shown on the accompanying table, the connection fee increases as the size of the meter increases.

The City's governing regulations for water service are contained in Chapter 13.04 of the Tumwater Municipal Code. Tumwater is also bound by regulations from the Washington Administrative Code (WAC), Revised Code of Washington (RCW), Department of Health (DOH), Department of Ecology (DOE), Environmental Protection Agency (EPA), and the Thurston County Health Department.

2010 Accomplishments

1. Maintained state and federal compliance to provide safe and reliable drinking water through routine water quality testing, constructed permanent disinfection facilities, including SCADA and communication system upgrades, at each water source.
2. In cooperation with the cities of Olympia and Lacey, completed the acquisition of the water rights, property, and production infrastructure from the former Olympia Brewery and began development of an interim water supply utilizing those water rights.
3. Completed projects to supplement potable water supply and increase system efficiency, such as completing a series of test wells to improve the Palermo Wellfield, the acquisition of the Lathrop Water System and associated water rights, completion of the meter upgrade program for existing meters, and adoption of a water conservation goal at Lakeland Manor.
4. Completed the update to the City's Water Plan to guide the future investment and operations of the utility.

2011-2012 Goals

1. Continue to improve integrated resource planning of the water utility to promote effective management of supply and water quality that meets or exceeds state and federal standards, so that Tumwater may sustain its commitment to quality.
 - a) Continue pursuit of new water rights to augment production capacities, with a focus in southwest Tumwater.
 - b) Review existing small water system agreements and initiate integration of applicable systems to enhance serviceability, acquire water rights, and grow the City's utility.
 - c) Continue development and conversion of former Olympia Brewery infrastructure to augment potable supplies.

- d) Continue to assess effectiveness and implement water quality monitoring and cross connection control programs to protect water quality and maintain compliance with appropriate regulations. Coordinate with local and state agencies as necessary.
 - e) Design and construct distribution system improvements identified in the 2010 Water System Plan update to ensure adequate quantity of water is available throughout the City's service area. Where possible, align improvements with public and private projects to reduce disruptions and increase cost-effectiveness.
 - f) Complete Palermo Wellfield improvements to improve production efficiencies, increase reliability and further protect the facility.
 - g) Continue implementation of water conservation programs, including leak detection (production, distribution and consumption facilities), to promote the most efficient use of water and offset the need for additional supplies.
2. Continue programmatic planning and implementation of aquifer protection programs and mitigation efforts to reduce or eliminate the risk of environmental degradation.
- a) Update and adopt a new Wellhead Protection Management Plan.
 - b) Develop a residential hazardous waste management program designed to enhance groundwater protection and reduce the quantity of hazardous substances which can degrade and contaminate limited water supplies.
 - c) Expand Tumwater's wellhead protection area monitoring network to encapsulate each transition zone, improve data collection and reporting, and enhance the City's emergency management response and groundwater modeling efforts.
 - d) Prepare a mitigation plan related to the acquisition of new water rights in the southwest quadrant.
 - e) Evaluate the potential for expansion of the monitoring well network and in-house completion of the groundwater monitoring program for wellhead protection efforts.
3. Continue to refine and improve customer service, asset management and incident response to enhance the City water utility's ability to ensure safe, reliable and adequate service for our customers.
- a) Review and develop standards of development and use associated with reclaimed water to offset demands for potable water.
 - b) Continue to provide training opportunities for staff to enhance and expand their technical and professional skills.
 - c) Assess all production sources and the distribution network for security enhancements to further protect the potable system from potential threats.
 - d) Utilize asset management processes to identify and prioritize the replacement of aging infrastructure, including production sources.
 - e) Continue development, implementation and use of technology to improve system management, communications and water quality monitoring.
 - f) Investigate options restricting the development and use of exempt

- g) groundwater wells in locales adjacent to the City's water system.
 - g) Review and update the utility's funding and rate structure to ensure adequate funding is available to meet the current and forecasted needs of the utility.
 - h) Continue implementation of annual replacement and preventive maintenance programs, including the Fire Hydrants Upgrade and Uni-Directional Flushing program, to ensure the proper working order of treatment systems, valves, hydrants, and storage tanks.
 - i) With the other utilities and Finance Department, review organizational and staffing structure to ensure maximum efficiency, responsiveness, service, and management of the utility.
4. Continue to develop and maintain good relationships with the community and regional partners to engage involvement in effective water resource management practices.
- a) Continue to provide regular communications to utility customers on water quality, conservation and protection of groundwater.
 - b) Coordinate with LOTT and the Tumwater School District to encourage a complete retrofit of an existing school with modern conservation fixtures.
 - c) Continue development of incentives and programs designed to promote the most efficient use of potable water for residential, commercial, industrial, institutional and irrigation needs.
 - d) Coordinate with other departments to promote and utilize water conservation programs, as well as provide for consistency in community outreach messages.
 - e) Enhance communications and volunteer programs to promote and enrich community involvement.
 - f) Continue coordination with the cities of Olympia and Lacey to evaluate the most effective opportunity in re-development of the former Brewery water facilities.



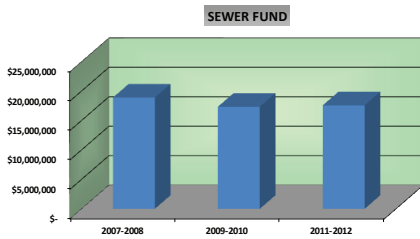
SEWER FUND

Similar to the Water Fund, the Sewer Fund is an enterprise fund that provides for all aspects of operating the City's sanitary sewer utility, including operation, maintenance, administration and capital construction.

Expenditure Summary <i>Sewer Fund</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Administration (less L.O.T.T. DCD's)	\$369,826	\$509,326	\$519,826	\$587,008	\$996,769
Operations (less L.O.T.T. Treatment)	838,539	951,215	819,424	607,887	1,336,323
L.O.T.T. Pass-thru	3,827,697	3,716,882	3,315,076	3,918,294	8,572,903
Interfund Loan Issued	199,567	768,900	1,115,579	309,787	295,000
Debt Service	159,080	158,746	159,777	155,861	164,261
Capital Equipment & Construction	1,051,794	1,409,973	332,112	1,124,021	351,539
Sewer Revenue Bond Reserve	83,125	83,125	83,125	83,125	166,250
Capital Reserve \ Ending Fund Balance	5,294,818	4,767,217	3,864,720	4,202,806	5,694,134
Total Expenditures	\$11,824,446	\$12,365,384	\$10,209,639	\$10,988,789	\$17,577,179

Expenditure Summary <i>Sewer Fund - Administration</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$99,956	\$152,354	\$190,328	\$201,116	\$229,327
Supplies	3,061	640	1,106	3,077	10,300
Other Services & Charges	16,379	42,974	17,850	36,433	91,769
L.O.T.T. Development Capacity Pass-thru	1,435,961	1,078,300	379,971	801,679	1,103,000
Intergovernmental	111,629	130,629	105,207	3,241,761	7,718,889
Interfund Charges	138,802	182,729	205,335	221,236	416,387
Total Expenditures	\$1,805,788	\$1,587,626	\$899,797	\$4,505,302	\$9,569,672

Expenditure Summary <i>Sewer Fund - Operations</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$342,707	\$345,097	\$379,005	\$393,330	\$821,894
Supplies	70,961	65,239	62,749	63,277	151,000
Other Services & Charges	90,424	307,873	318,343	65,363	191,400
L.O.T.T. Waste Treatment Pass-thru	2,391,735	2,638,582	2,935,105	3,116,615	7,469,903
Interfund Charges	334,447	233,006	59,327	85,917	172,029
Total Expenditures	\$3,230,274	\$3,589,797	\$3,754,529	\$3,724,502	\$8,806,226



Tumwater's existing sanitary sewer system provides sanitary sewer collection and conveyance to approximately 4,800 residential and 485 commercial customers throughout an area of approximately 9 square miles, most of which is within the existing city limits. The City system consists of approximately 381,000 feet of gravity collection and interceptor sewers, manholes, 26 pump stations, approximately 50,000 feet of force main, and one siphon structure. Wastewater collected by this system is routed northward, through Olympia to a regional wastewater treatment plant located adjacent to Budd Inlet. This treatment plant is managed through a joint intergovernmental agreement between the cities of Lacey, Olympia, and Tumwater, and Thurston County (LOTT).

A fats, oils and grease (FOG) program has been implemented to evaluate the impacts from these materials on the sewer system. Staff works with area businesses and agencies to ensure proper handling and disposal of FOG-related materials. Educational materials are also provided to residential customers to provide guidance on the proper management of residential wastes.

Some of the on-going functions of providing sewer service include:

- Timely performance of emergency repairs;
- Preventive and routine system maintenance and repair;
- Providing for system expansion to meet the needs of existing and new customers;
- Regulation of large-volume sewer customers discharging to the LOTT wastewater treatment facility;
- Wastewater flow reduction programs;
- Response to customer issues.

Sewer Demand	
Year	Annual ERU's Usage
2003	89,923
2004	86,573
2005	90,860
2006	96,199
2007	97,560
2008	108,030
2009	109,378
2010	106,026

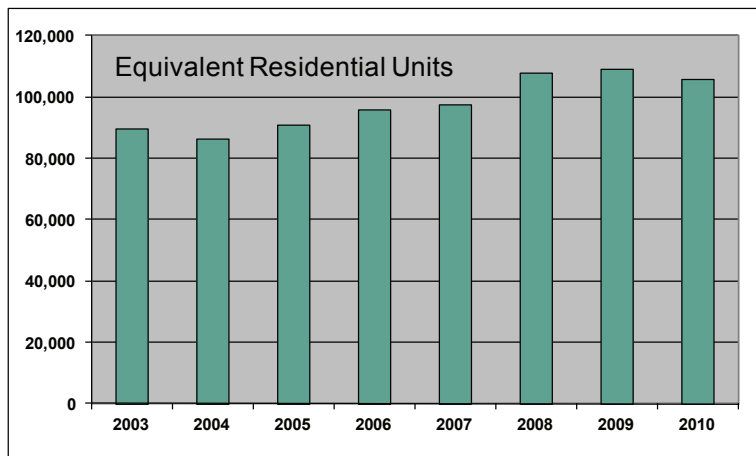
LOTT Participation

The cities of Lacey, Olympia and Tumwater and Thurston County are partners in the LOTT Clean Water Alliance through the LOTT Interlocal Cooperation Act Agreement for Wastewater Management, which governs the operations of the LOTT Clean Water Alliance. Each of the LOTT Partners pays for their respective share of maintenance and operating expenses of the wastewater treatment system, including debt service

associated with revenue bonds issued to finance capital improvements of that system.

Each LOTT Partner's pro-rata share of the charges is based on its number of equivalent residential units (ERUs) that are contributed to the system. Tumwater's LOTT charges are accounted for as a city cost of maintenance and operation of the system. Tumwater passes these charges through to users of the system - our customers.

The LOTT Clean Water Alliance is innovating efficient uses of water through the development of reclaimed water facilities. The first reclaimed water treatment facility was constructed at the Budd Inlet Treatment Plant in 2004, and Class A Reclaimed Water from this



facility is now being distributed to several customers in downtown Olympia. The second reclaimed water treatment facility was constructed in Lacey. Three miles of purple pipe connect it with a series of reclaimed water ponds and infiltration basins constructed in the Hawks Prairie area. These facilities were completed and began operation in 2006.

In 2009, LOTT began construction of a reclaimed water distribution main from the Budd Inlet treatment plant to carry Class A Reclaimed Water to portions of Tumwater and west Olympia. The first phase of this pipeline – completed in 2010 – will provide access to reclaimed water for multiple large irrigation users in Tumwater, including the Tumwater Valley Municipal Golf Course, helping to offset potable water demands for irrigation. Eventually, the pipeline will extend to future infiltration facilities along Henderson Boulevard and further south along the Deschutes River to help mitigate impacts to the ground and surface water systems. A future satellite reclaimed water plant is also planned for the Tumwater area; studies are currently underway to determine the best location and timing to meet future treatment capacity and reclaimed water use needs.

SEWER CUSTOMERS			
<i>By Category</i>			
<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
2002	3,397	371	3,768
2003	3,593	385	3,978
2004	3,848	394	4,242
2005	4,083	403	4,486
2006	4,217	417	4,634
2007	4,376	433	4,809
2008	4,480	443	4,923
2009	4,647	481	5,128
2010	4,792	484	5,276

Sewer Rates and Charges

The monthly rate for sanitary sewage disposal consists of two components. The first component is the City charge that pays for operation and maintenance of the collection and conveyance system. The second component is the LOTT charge for operation and maintenance of the treatment facilities. In 2010, the LOTT portion was increased to \$30.00 and the Tumwater portion was \$13.92. For 2011, the LOTT portion increases to \$31.50 and the City's portion remains \$13.92, for a combined monthly rate of \$45.42.

Similar to the monthly rate, the connection fee also has a City and a LOTT component. The City's component of the connection fee was \$2,121 in 2010. The LOTT component of the connection fee was \$4,091.00 per ERU for 2010. This amount increases on January 1st of each year through 2019 by \$64.10. In addition, the LOTT charge also increases \$150 on January 1st of each year through 2012. For 2011, the total LOTT connection fee is \$4,305.10 and the total combined City/LOTT connection fee is \$6,426.10 per ERU. This reflects the amount necessary to fund the Highly Managed Alternative components that were allocated to new connections and adjust for additional capital projects.

Tumwater's governing regulations for sewer service are contained in Chapter 13.08 of the Tumwater Municipal Code. The City is also bound by regulations from the Washington Administrative Code (WAC), Revised Code of Washington (RCW), Department of Health (DOH), Department of Ecology (DOE), Environmental Protection Agency (EPA), and the Thurston County Health Department.

2010 Accomplishments

1. Refined and implemented a sewer maintenance, replacement and



rehabilitation program to systematically clean and inspect collection system facilities; completed the rehabilitation/replacement of approximately 6,720 feet of sewer main through the 2010 Sanitary Sewer Rehabilitation project; and improved communications equipment (telemetry) to facilitate better management control of wastewater collection systems.

2. Continued coordinated efforts with local jurisdictions and LOTT to reduce the quantity of wastewater discharged to the collection system and implemented strategies to coordinate with local food establishments to reduce the quantity of prohibited discharges to the wastewater collection system.
3. Continued participation in regional planning efforts for development and use of highly treated reclaimed water, and updated the sewer system model and maps in preparation for an update to the Sanitary Sewer System Comprehensive Plan.

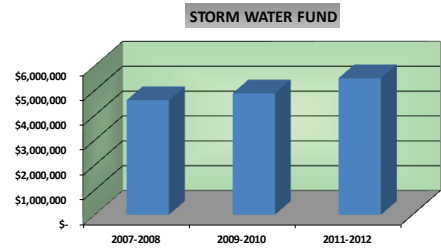
2011-2012 Goals

1. Continue efforts to refine and sustain a utility known for quality service for our customers and contribute to the preservation of the Tumwater environment.
 - a) Assess localized areas of ground and surface waters impacts by discharges of wastewater, including privately maintained septic systems.
 - b) Complete the update of the Comprehensive Sanitary Sewer Plan, including refinement of discharge reporting processes, inflow and infiltration (I&I) management, and leak detection.
2. Continue to refine and improve customer service, asset management and incident response to enhance the City wastewater utility's ability to provide safe, reliable and adequate service for our customers.
 - a) Continue use and implementation of technology to improve system management, communications and incident response.
 - b) Complete an assessment of the collection system to identify needs to maintain compliance with state and federal combined sewer overflow/sanitary sewer overflow regulations, including staff training, reporting, and discharge requirements.
 - c) Develop and implement a long-term asset replacement system to identify and replace aging infrastructure.
 - d) Continue routine and annual maintenance programs to address needs for manhole covers, rings and channels, lift station maintenance, sewer main cleaning, and I&I reduction.
 - e) Continue to develop and implement annual work plans to promote efficient management and timely evaluations of sewer system rehabilitation needs.
3. Develop strategies to establish and maintain positive and productive relationships with utility customers and the greater citizenry of Tumwater.
 - a) Continue development of business outreach messaging to reduce wastewater flows and the introduction of prohibited materials.
 - b) Continue coordination with regional partners to promote and implement strategies aimed to reduce the quantities of wastewater requiring treatment and utilization of reclaimed water.
4. Work with LOTT and the Tumwater Valley Municipal Golf Course to utilize reclaimed water at the golf course and make such water available to other users in the City.

STORM DRAINAGE FUND

Similar to the Water and Sewer Funds, the Storm Drainage Fund is an enterprise fund that provides for all aspects of operating the City's stormwater utility, including operations, maintenance, administration, and capital construction.

This utility is responsible for managing drainage and resulting water flows to control flooding, erosion and property damage, and preventing environmental damage associated with stormwater runoff.



Expenditure Summary

Stormwater Fund

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Administration	\$425,800	\$436,495	\$557,270	\$571,383	\$1,269,020
Operations	373,163	546,788	453,055	455,369	1,315,375
Debt Service	11,101	11,084	11,191	10,958	22,222
Capital Equipment & Construction	312,471	127,523	28,656	265,100	1,271,576
Stormwater Revenue Bond Reserve	11,281	11,281	11,281	11,281	22,562
Stormwater Capital Rsv.\ Ending F.B.	2,174,339	2,333,379	2,590,968	2,502,045	1,585,444
Total Expenditures	\$3,308,155	\$3,466,550	\$3,652,421	\$3,816,136	\$5,486,199

Expenditure Summary

Stormwater Fund - Administration

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$187,356	\$194,546	\$287,478	\$283,531	\$582,075
Supplies	15,083	11,601	13,403	18,810	106,000
Other Services & Charges	29,381	26,771	33,326	30,900	115,241
Intergovernmental	35,324	37,981	40,996	42,019	95,839
Interfund Charges	158,656	165,596	182,067	196,123	369,865
Total Expenditures	\$425,800	\$436,495	\$557,270	\$571,383	\$1,269,020

Expenditure Summary

Stormwater Fund - Operations

ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Personnel Costs	\$206,918	\$183,122	\$291,040	\$335,675	\$857,232
Supplies	9,481	8,600	15,883	13,157	26,700
Other Services & Charges	90,114	111,924	94,646	32,639	276,851
Interfund Charges	66,651	243,142	51,486	73,898	154,592
Total Expenditures	\$373,163	\$546,788	\$453,055	\$455,369	\$1,315,375

Recent regulations require the stormwater utility to implement a comprehensive stormwater program with several major elements:

- Stormwater facilities inventory. All public and private facilities are comprehensively located and mapped, and their condition and maintenance needs identified on an on-going basis. Both private and public drainage facilities are inspected on a regular basis to determine maintenance needs for operational effectiveness.
- Evaluation and ranking of drainage basins of concern. Flooding, water quality, and maintenance concerns are being assessed.
- Operations and maintenance improvements. An operations and maintenance manual has been drafted to meet new regulatory requirements. Maintenance scheduling and tracking software is being adapted to these new needs.
- Source control. Control or elimination of the sources of pollution is critical to protecting water quality and habitat in our streams. Technical assistance to businesses providing information about prevention of pollution problems will continue to be offered. An "Illicit Discharge Detection & Elimination" (IDDE) program was developed and adopted in January 2010.
- Public involvement and education. The utility participates in regional programs including Stream Team and South Sound GREEN. Salmon Stewards' training and habitat enhancements at Pioneer Park, the Tumwater Valley Municipal Golf Course, and Percival Creek have made significant improvements in those areas.
- Monitoring. The utility participates in monitoring the water quality and quantity of Percival Creek and the Deschutes River and other surface waters in the service area.
- Drainage Manual. The regional cities and Thurston County adopted design standards for drainage facilities and erosion control in 1991 and 1994. The current revision process is considering issues of flooding, habitat protection, low-impact development techniques, and improved treatment options along with state-of-the-art modeling techniques that will provide cost effective drainage design. Ecology's revised Stormwater Management Manual was adopted in 2010.
- Construction Site Run-Off. In conjunction with the 2010 Drainage Manual Update, Tumwater's program for development review and inspection has been enhanced to protect the City's infrastructure and surface waters from construction site pollutants. Enhancements include staff certification for sediment and erosion control and requiring larger development projects

Expenditure Summary					
<i>Stormwater - Barnes Lake Management District</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
Supplies	\$400	\$294	\$45	\$750	\$1,500
Other Services & Charges	\$5,770	\$10,681	\$21,367	\$30,322	\$60,644
Interfund Charges		1,400	1,400	1,400	2,800
Total Expenditures	\$6,170	\$12,375	\$22,812	\$32,472	\$64,944

to comply with standards issued under the federal National Pollutant Discharge Elimination System (NPDES) permit.

In addition to program elements required under existing regulations, additional steps, including planning and budgeting for capital projects, are being undertaken to protect habitat, promote salmon recovery, and preserve water quality as mandated under the federal Endangered Species Act, the NPDES permit, and the salmon restoration initiatives undertaken in 1998 by the governor and the legislature. Under the governor's proposed plan, subtitled "Extinction Is Not An Option", habitat and its protection are key to restoration of salmon to our rivers and streams. The stormwater utility has already removed two barriers to fish passage, planted hundreds of trees and shrubs along Percival Creek and the Deschutes River, and continues to conduct various workshops for residents and businesses covering stormwater facility maintenance and pollution prevention.

STORMWATER CUSTOMERS			
<i>By Category</i>			
<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
2003	3,645	515	4,160
2004	3,735	526	4,261
2005	3,827	537	4,364
2006	3,943	547	4,490
2007	4,083	573	4,656
2008	4,674	909	5,583
2009	4,789	918	5,707
2010	4,914	927	5,841

Other ongoing functions of the stormwater utility include:

- Preventive maintenance and repair;
- System improvements and expansion;
- Local flood control and response;
- Customer assistance;
- Inspections of public and private stormwater facilities;
- Fish passage facility maintenance;
- Non-point pollution monitoring and educational outreach.

The storm drain utility is governed by Chapter 13.12 of the Tumwater Municipal Code and must also comply with regulations from the Revised Code of Washington, Washington Administrative Code, Washington Department of Ecology, Army Corps of Engineers, Washington Department of Fish and Wildlife, and Department of Health.

The storm drain rate for 2011 increased by 5% to \$7.27 per ERU. Certain qualified senior citizens and low-income disabled individuals are eligible to receive a discount of 50% of the storm drain portion of the monthly utility bill. There are no City wide connection charges associated with this utility; however, there are system development charges for drainage basins on North and South Tumwater Hill as described in Chapter 13.14 of the Tumwater Municipal Code.



2010 Accomplishments

1. Maintained state and federal regulatory compliance and improved stormwater management strategies through the adoption of a revised stormwater ordinance and the *2010 Drainage Design and Erosion Control Manual*, and strengthened programs covering Illicit Discharge Detection & Elimination (IDDE), technical assistance, and public and private infrastructure mapping.
2. Initiated activities to improve operational management, conveyance and treatment capacities to further protect natural systems through the completion of engineering plans for three major stormwater outfalls, a drainage study

detailing stormwater problems and solutions for the largest annexation in recent Tumwater history and a major retrofit design of a stormwater outfall to convert the outfall to a constructed wetland and provide interactive educational opportunities relating to the importance of stormwater treatment.

3. Improved community education, outreach and involvement and continued growth of regional coordination through the refinement of Stream Team programs to integrate stronger stormwater quality messaging, provide additional workshops for community members to learn varied methods to preserve water quality and reduce stormwater discharge, and participation in the Deschutes TMDL process and Budd Inlet restoration.

2011-2012 Goals

1. Continue efforts to refine and sustain a utility known for quality service and commitment to the preservation of the Tumwater environment.
 - a) Continue to refine and adopt an updated Comprehensive Stormwater Management Plan addressing all facets of stormwater management, including education and outreach.
 - b) Conduct an assessment of all point-discharge outfalls and open conveyance channels (ditch network) to evaluate ongoing retrofit needs to preserve water quality and enhance receiving waters, and prepare standardized procedures for routine maintenance.
 - c) Develop a mechanism to work with property owners to preserve habitat along surface waters to promote healthy watersheds and protect surface water quality.
 - d) Review survivability rates of re-vegetated sites and supplement with vegetation in areas that have not achieved expected results.
 - e) Continue to pursue grant and other funding opportunities for projects and programs.
2. Continue to refine and improve customer service, asset management and incident response to enhance the City's stormwater utility ability to ensure safe, reliable and adequate service for our customers.
 - a) Coordinate with Engineering and Operations to enhance working relationships and develop standard operating procedures for stormwater management activities, including staff training.
 - b) Refine and standardize procedures for response, tracking and reporting of citizen requests for service and stormwater related complaints.
 - c) Develop an integrated map and database of high groundwater areas, monitoring well locations and groundwater levels to facilitate effective management in those areas known to cause flooding due to high groundwater. Implement technological solutions to monitor groundwater levels in monitoring wells to increase awareness of seasonal fluctuations and planning needs.
 - d) Utilize asset management processes to identify and prioritize maintenance activities and replacement of aging infrastructure, including treatment systems.
 - e) Review and prioritize locations known for flooding due to surface water runoff and develop effective measures to reduce the associated

- impacts.
 - f) Continue to implement effective stormwater maintenance programs, such as manhole and catch basin improvement and grate replacement programs, public storm pond rehabilitation and vegetation control, ditch maintenance and collection system line maintenance and replacement.
3. Continue to develop and maintain good relationships with the community and regional partners to engage involvement in effective stormwater management practices.
- a) Continue improvement of educational outreach activities utilizing a variety of marketing options, including development of a bi-annual newsletter, through the Stream Team program and utility messaging about stormwater impacts, surface and ground water protection and habitat preservation and to promote greater involvement from the community in protecting natural resources.
 - b) Continue interjurisdictional efforts and partnerships for community education, Stream Team, water quality monitoring, and volunteer action projects. Coordinate with local jurisdictions and tribal agencies to develop and implement effective habitat restoration plans and reduce impacts to water quality
 - c) Continue to promote the effective use of low impact development (LID) measures for both public and private development.
 - d) Coordinate with other City departments to ensure consistent messaging and implementation of standards, such as LID, treatment, drainage manual implementation, etc.
 - e) Work with the Port of Olympia to explore regional stormwater facilities, in particular, one in the vicinity of the Town Center and Tumwater Boulevard and a second to serve the New Market Industrial Campus.

CAPITAL IMPROVEMENT FUND



The Capital Improvement Fund was amended in 1991 to facilitate the general governmental and transportation portion of the six-year Capital Facilities Plan (CFP). The revenues come from several different sources.

The first one is the Real Estate Excise Tax (REET). This tax is levied on all sales of real estate, measured by the full selling price, including any liens, mortgages, and other debts given to secure the purchase. The state levies this tax at the rate of 1.28 percent. A locally imposed tax is also authorized. In 1990 and 1992, the State Legislature made a number of changes in the locally imposed REET.

As Tumwater is required to plan under the regulations of the Growth Management Act (GMA), new language was enacted regarding the first quarter (.025) percent of the tax.

Based on GMA, Tumwater was also given the option of levying a second quarter percent to help defray the costs of implementing the Growth Management Act. This Budget has the second quarter of REET.

The first quarter percent of the REET receipts must be spent solely on capital projects that are listed in the Capital Facilities Plan element of the comprehensive plan. Capital projects are defined as:

“Those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; fire protection facilities; trails; libraries; administrative and/or judicial facilities; and river and/or waterway flood control.” (RCW 82.46.035)

The second quarter percent of the REET that is levied and is part of this budget can only be levied by those cities that are required to plan under GMA. In this quarter percent of REET “capital projects” means:

“Those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.”

The City imposes a utility tax per the Tumwater Municipal Code Chapter 3.28 on telephones, telegraph, electrical energy, natural gas, solid waste, water, sanitary sewer and storm drainage at the rate of 6 percent.

In 2009, Council policy direction as adopted in the budget was that 5/6th (5 percent) be retained in the General Fund and that 1/6th (1 percent) be directed to the Transportation

element of the Capital Facilities plan. In 2010, the adopted budget includes 2/3rd (4 percent) be retained in the General Fund and 1/6th (1 percent) be directed to the General Government and Transportation elements of the Capital Facilities Plan. These measures have been taken to assist General Fund during the extraordinary economic decline that began in 2008. The need to fund basic services meant the reduction in capital development temporarily as the City analyzes the depth and duration of the recession

Funds are projected in this fund from grants via state and federal sources, mitigation fees, impact fees, and other sources for applicable projects. Additionally, since 1999 this fund has included the City's Arterial Street Tax. But, with the change in 2005 of not only the additional gas tax, but the change in the distribution. Until 2005, we received gas tax in two distributions one was defined as "restricted" and that is the portion that was placed in this fund, other portion was "unrestricted" and stayed within the General Fund for the basic operations of street maintenance. Now there is no restricted portion, and all gas taxes can be used for basic street operations. But, the policy will stay the same, and that portion that was restricted will remain in the capital portion of the budget. This will realize approximately \$230,000 for street construction in 2011-2012 biennium.



Relationship to Operational Costs

Capital facilities increase operational costs of ongoing government. New facilities require personnel to manage, operate and maintain them. The ability of ongoing revenue to support those costs varies significantly by the type of facility.

In Tumwater, new capital facilities associated with water, sewer, storm drainage, and the Tumwater Valley Municipal Golf Course are almost completely of an investment character that, if made prudently, should generate sufficient revenue to not only pay for the facility, but also to support operational costs. For example, a new waterline or reservoir creates new capacity for more water sales. While in these programs there are also renovation needs, these are being met by means of ongoing programs funded from existing revenues. In the case of sanitary sewers and the water utility, there will be external costs imposed on these utilities to possibly pay for the railroad interceptor and the water treatment of the Palermo Wellfield. Since costs do not directly lead to new revenue, these costs will at times result in rate increases. Other major factors affecting the need for rate increases in the City's utilities (water, sewer, storm drainage) are inflation and consumption.



Since General Fund capital needs do not directly increase revenues, these costs are included in the planning for such facilities. While such costs for general government and park facilities can be anticipated, maintenance costs of street development are less easy to program and may be a significant fiscal pressure on future General Fund budgets.

2011-2012 Goals

UTILITY CAPITAL PROJECTS



The enterprise funds (Water / Sewer / Storm) directly expend capital to build projects. Each of the utility funds manages their respective portion of a Capital Project.

The projects are:

Water

- Pursue property acquisition for future well field(s);
- Pursue acquisition of water rights;
- Planning and design to upgrade the City's telemetry system;
- Drill test wells at the Palermo Well Field in order to determine, analyze and document the feasibility of future rehabilitation and/or expansion of the Palermo Well Field;
- Adopt the updated Water System Comprehensive Plan;
- Extend the 16-inch water main on 93rd Avenue from the east side of I-5 to Blomberg Road (may be done in conjunction with a private development project);
- Develop water production facilities infrastructure to support newly acquired water rights.

Sewer

- Update the Sanitary Sewer Comprehensive Plan;
- Complete construction of the tri-annual Sanitary Sewer Rehabilitation program.

Storm

- Complete design of the Tumwater Valley regional facility;
- Complete design of improvements for the Cleveland Avenue, "E" Street and Somerset Hill Drive outfalls to decrease discharge velocity, reduce erosion, and incorporate water treatment facilities;
- Complete a drainage study of the area annexed in 2007 including a comprehensive understanding of the existing stormwater system, recommendations for runoff treatment, habitat protection, mitigation of flooding impacts, protection of surface waters, and considerations for future development.



Transportation

- Complete the construction of the Littlerock Road Phase 2 project from Odegard to Trosper Road;
- Continue work on the design and permitting for the Tumwater Boulevard / Interstate 5 Interchange project and continue to pursue potential grant funding and/or partnerships for construction;
- Complete the design of the Tumwater Boulevard / Henderson Boulevard intersection improvements and install the underground conduits for the future traffic signal. The conduit to be completed in advance of repaving of the roadway which is the responsibility of private development in the area;
- Review the Capitol Boulevard, M to X Street project, to redefine the goals and objectives for this project, prior to further design;
- Identify, prioritize and implement needed sidewalk, pedestrian and traffic calming projects utilizing an annual allotment of funding;
- Begin the design and acquisition of right-of-way for the construction of a traffic signal at the Trosper Road / Lake Park Drive intersection.



FINANCIAL PLAN FOR GENERAL GOVERNMENTAL PROJECTS

Category	Category	2011	2012	2013	2014	2015	2016	2011-2016
1 Debt	REVENUE:							
	Beginning Fund Balance	\$ 432,940	\$ 199,863	\$ 157,789	\$ 138,079	\$ 186,307	\$ 243,732	\$ 432,940
	Utility Tax	562,968	580,046	588,747	597,578	606,542	615,640	\$ 3,551,510
	Interest Income	1,494	1,170	1,120	1,103	1,189	1,289	\$ 7,365
2 Basic	TRANSFERS & OTHER SOURCES							
	Grants	997,392	781,079	747,655	736,761	794,037	860,661	\$ 3,997,815
	G.O. Bonds: Non-Voted	\$ 90,000	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ 365,000
	G.O. Bonds: Voted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
3 Growth	L.I.D.'s	\$ 1,010,000	\$ 1,460,000	\$ 3,250,000	\$ 1,000,000	\$ -	\$ -	\$ 6,720,000
	Impact/FILO Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
	System	\$ 50,000	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ 325,000
	Bonded	\$ 34,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,000
TOTAL PROJECTED FUNDING		\$ 2,181,392	\$ 2,791,079	\$ 3,997,655	\$ 1,736,761	\$ 794,037	\$ 860,661	\$ 11,435,815

PRIORITY	GENERAL GOVERNMENTAL PROJECTS	Cat.	Source	PRIOR YRS	6 YEAR TOTAL	2011	2012	2013	2014	2015	2016	FUTURE YRS	GRAND TOTAL
1	Golf Course - Acquisition/Improvement Debt (L.TGO)	1	3	\$ 3,372,183	\$ 3,300,469	\$ 546,539	\$ 553,290	\$ 549,576	\$ 550,454	\$ 550,305	\$ 550,305	\$ -	\$ 11,502,930
2	City Hall - Police Department, Expansion and Improvements	3	3	-	5,200,000	250,000	700,000	3,250,000	1,000,000	-	-	-	5,200,000
3	Deschutes Valley Trail	4	1-5	55,000	600,000	50,000	550,000	-	-	-	-	-	655,000
4	Public Safety - Apparatus and Equipment Replacement	5	3	-	1,520,000	760,000	760,000	-	-	-	-	-	1,520,000
5	Brewery Property Visioning	4	1	-	90,000	90,000	-	-	-	-	-	-	90,000
6	Comprehensive Street Tree Plan Revisions	4	6	-	25,000	25,000	-	-	-	-	-	-	25,000
7	Library Entry Vestibule - Air Lock	4	6	-	35,000	35,000	-	-	-	-	-	-	35,000
8	City Design Standards	4	-	-	100,000	100,000	-	-	-	-	-	-	100,000
9	Brewery Neighborhood Planning	4	-	-	110,000	-	50,000	60,000	-	-	-	-	110,000
10	Parks Board	4	-	-	25,000	15,000	10,000	-	-	-	-	-	25,000
11	Historic Commission	4	-	-	30,000	20,000	10,000	-	-	-	-	-	90,000
12	Climate Protection Program	4	-	185,000	25,000	25,000	-	-	-	-	-	-	210,000
13	Deschutes River Flood Reduction and Erosion Study	4	-	-	65,000	65,000	-	-	-	-	-	-	200,000
UNFUNDED PROJECTS													
(Funding shown in Future Years. Not in priority order.)													
a	Historical Park Repairs and Improvements	4	-	-	-	-	-	-	-	-	-	235,000	235,000
b	Library Restoration	2	-	-	-	-	-	-	-	-	-	150,000	150,000
c	T* Street Park	4	-	-	-	-	-	-	-	-	-	405,000	405,000
d	Southwest Turnwater Community Park	3	-	-	-	-	-	-	-	-	-	1,860,000	1,860,000
e	Overlook Park Rehabilitation	4	5	-	-	-	-	-	-	-	-	170,000	170,000
f	Trosper Lake/Southwest Neighborhood Park Development	4	-	-	-	-	-	-	-	-	-	1,150,000	1,150,000
g	Turnwater Town Center Park	4	6	-	-	-	-	-	-	-	-	130,000	130,000
h	Town Center Gateway/Wayfinding Signage	4	-	-	-	-	-	-	-	-	-	100,000	100,000
i	Fire Department Ladder Truck	4	3	-	-	-	-	-	-	-	-	870,000	870,000
j	Henderson House Basement Repairs	4	-	-	-	-	-	-	-	-	-	25,000	25,000
k	Division Street Improvements	4	-	-	-	-	-	-	-	-	-	85,000	85,000
l	Historic District Heritage Projects	4	6	-	-	-	-	-	-	-	-	32,000	32,000
m	City Maintenance Facilities Relocation	4	6	-	-	-	-	-	-	-	-	6,700,000	6,700,000
n	Crosby House Restoration	2	6	165,000	-	-	-	-	-	-	-	60,000	225,000
TOTAL GENERAL GOVERNMENTAL PROJECT COSTS					\$ 3,777,183	\$ 1,981,529	\$ 2,633,290	\$ 3,859,576	\$ 1,550,454	\$ 550,305	\$ 550,305	\$ 16,998,288	\$ 31,900,930

Ending Fund Balance \$ 310,356

FINANCIAL PLAN FOR TRANSPORTATION PROJECTS

Category	REVENUE:										2011-2016	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1 Debt	\$ 506,338	\$ 1,166,789	\$ 1,557,203	\$ 1,999,420	\$ 987,301	\$ 599,608					\$506,338	
2 Basic	562,958	580,046	588,747	597,578	606,542	615,640					\$3,551,510	
3 Growth	110,000	111,100	112,211	113,333	114,466	115,611					\$876,722	
4 System	350,000	350,000	400,000	412,000	424,360	437,091					\$2,373,451	
5 Bonded	10,693	17,468	21,459	25,970	15,938	12,152					\$103,682	
6 Other	1,539,989	2,225,403	2,679,620	3,148,301	2,148,608	1,780,102					\$7,211,702	
7 Other												
TRANSFERS & OTHER SOURCES												
1 Grants	\$ -	\$ -	\$ -	\$ 315,000	\$ 210,000	\$ -					\$525,000	
2 G.O. Bonds: Non-Voted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					\$0	
3 G.O. Bonds: Voted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					\$0	
4 L.I.D.'s	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					\$0	
5 Impact Fees	\$ 196,800	\$ 476,800	\$ 539,800	\$ 124,000	\$ 651,000	\$ 279,000					\$2,267,400	
6 Mitigation Fees	\$ 280,000	\$ 160,000	\$ -	\$ -	\$ -	\$ -					\$440,000	
7 Other Sources	\$ 305,000	\$ -	\$ -	\$ -	\$ -	\$ -					\$305,000	
TOTAL PROJECTED FUNDING	\$ 2,321,789	\$ 2,862,203	\$ 3,219,420	\$ 3,587,301	\$ 3,009,608	\$ 2,059,102					\$10,749,102	

PRIORITY	GENERAL GOVERNMENTAL PROJECTS										2011-2016	
	Source	Prior Yrs	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Capitol Blvd. Corridor	4	\$ 120,000	\$ 100,000	\$ 300,000	\$ 2,350,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
2	70th Avenue Pedestrian Improvements	4	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Turnwater Blvd./Henderson Blvd. Signalization	3	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Turnwater Blvd./Henderson Blvd. Resurfacing	2	\$ 305,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Pavement Maintenance Program	2	\$ 620,000	\$ -	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Sidewalk, Pedestrian and Traffic Calming	4	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -
7	Trospert Lake Park Signalization	3	\$ 70,000	\$ 375,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Capitol Blvd./Old 99 Improvement Project	3	\$ 100,000	\$ 300,000	\$ 850,000	\$ 200,000	\$ 1,050,000	\$ 450,000	\$ 16,050,000	\$ 19,000,000	\$ 19,000,000	\$ 19,000,000
9	93rd/Case Intersection Improvements	3	\$ 60,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	E Street Connection	3	\$ 80,000	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 5,500,000	\$ 5,905,000	\$ 5,905,000	\$ 5,905,000
11	Turnwater Blvd./I-5 Interchange	3	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,100,000	\$ 19,300,000	\$ 19,300,000	\$ 19,300,000
12			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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21			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL GENERAL GOVERNMENTAL PROJECT COSTS										\$ 2,345,000	\$ 1,155,000	\$ 1,559,102

Ending Fund Balance \$ 1,559,102

FINANCIAL PLAN FOR THE WATER FUND

PRIORITY	EXPENSES	PRIOR YRS	6YR TOTAL	2011	2012	2013	2014	2015	2016	FUTURE YRS	GRAND TOTAL
Capital Projects:											
1	Palermo Wellfield Redevelopment / Expansion	245,000	600,000	400,000	200,000	0	0	0	0	0	845,000
2	Water Rights Acquisition / Mitigation	0	700,000	50,000	50,000	150,000	150,000	150,000	150,000	0	700,000
3	Brewery Wellfield - Source Report and Design Study	0	100,000	100,000	0	0	0	0	0	0	100,000
4	Brewery Wellfield - Water Production Infrastructure	0	1,650,000	50,000	150,000	850,000	0	800,000	0	0	1,650,000
5	Brewery Wellfield - Treatment	0	5,400,000	0	0	900,000	0	4,500,000	0	0	5,400,000
6	Brewery Wellfield - Abandon Existing Wells	0	145,000	0	0	0	0	35,000	110,000	0	145,000
7	SW Wellfield Mitigation Study	0	35,000	0	0	0	0	0	0	0	35,000
8	Wellhead Protection Update	0	40,000	0	40,000	0	0	0	0	0	40,000
9	Bush Wellfield Treatment Modification	0	35,000	0	0	0	0	0	0	0	35,000
10	SE Reservoir - Property Acquisition	0	550,000	0	0	50,000	500,000	0	0	0	550,000
11	454 Zone Pump Station Upgrade	0	305,000	50,000	255,000	0	0	0	0	0	660,000
12	Emerging Projects / Oversizing	0	300,000	50,000	50,000	50,000	50,000	50,000	50,000	0	300,000
13	Annual Water Main Replacement	0	355,000	10,000	10,000	0	0	30,000	305,000	0	355,000
14	93rd Avenue Watermain Extension at Interstate 5	0	275,000	275,000	0	0	0	0	0	0	275,000
15	Linwood/Sapp/Rural Extension	0	50,000	50,000	0	0	0	0	0	500,000	550,000
16	Custer Way Extension - Boston Street to Capitol Boulevard	0	650,000	0	0	50,000	600,000	0	0	0	650,000
17	Sapp Road Water Main Replacement	0	930,000	70,000	860,000	0	0	0	0	0	930,000
18	Telemetry System Upgrade	0	430,000	80,000	350,000	0	0	0	0	0	430,000
19	Palermo Wellfield - Automatic Emergency Generator	0	120,000	0	120,000	0	0	0	0	0	120,000
20	Water Comprehensive Plan Update	0	200,000	0	0	0	0	150,000	50,000	0	200,000
TOTAL CAPITAL PROJECT EXPENSES		245,000	12,870,000	1,255,000	2,085,000	1,850,000	1,300,000	5,715,000	665,000	855,000	13,970,000
SOURCES OF FUNDS:											
	General Governmental	0									
	Grants	0									
	Operating Income	2,718,500	532,500	1,298,000	70,000	290,000	194,000	334,000	471,000	3,189,500	
	Connections	2,606,500	722,500	186,000	180,000	510,000	186,000	221,000	384,000	2,990,500	
	Revenue Bonds	7,545,000	0	0	1,600,000	500,000	5,335,000	110,000	0	7,545,000	
	L.I.D.'s	0									
	Other - PWTF	0									
TOTAL SOURCES		12,870,000	1,255,000	2,085,000	1,850,000	1,300,000	5,715,000	665,000	855,000	13,725,000	

SIX YEAR FINANCIAL FORECAST

WATER	2008	2009	2010	2011	2012	2013	2014	2015	2016	2011-2016
REVENUES										
Beginning Fund Balance	8,659,562	6,994,383	6,663,416	3,391,941	2,535,255	1,194,354	1,654,344	1,698,330	2,017,035	3,391,941
Service Collections (Rates)	2,934,981	3,000,473	2,780,000	3,193,470	3,403,441	3,627,217	3,865,706	4,119,877	4,390,768	22,800,469
Misc. Revenues	383,547	249,732	207,700	142,775	144,917	141,090	149,297	151,536	153,809	889,424
Operating Income (Sales + Misc.)	3,218,528	3,250,205	2,967,700	3,336,245	3,548,357	3,774,307	4,015,003	4,271,413	4,544,568	23,489,893
Utility Tax	170,415	179,535	186,663	208,409	211,535	225,444	228,825	243,871	247,529	1,365,614
Connection Fees	610,989	460,460	404,250	424,463	445,686	467,970	491,368	515,937	541,734	2,887,157
Revenue Bonds, PWTF Loans	12,859,494	10,884,583	10,222,029	7,361,057	6,740,834	7,262,075	6,889,541	5,335,000	110,000	7,545,000
TOTAL REVENUES	24,940,007	26,062,884	29,328,337	27,355,707	28,314,557	29,300,558	30,332,127	31,392,887	3,249,162	38,679,604
EXPENDITURES										
O & M (including Administration)	2,494,007	2,606,284	2,932,837	2,735,707	2,831,457	2,930,558	3,033,127	3,139,287	3,249,162	17,919,297
Debt Service	466,733	469,480	460,638	460,636	466,237	541,730	569,258	889,358	895,958	3,823,177
Capital - Operating Income	2,960,740	3,077,764	3,393,475	3,894,893	4,547,944	3,602,288	3,952,385	4,282,645	4,539,120	3,076,800
Operating Income Supported Sub-Total	169,777	180,624	186,613	208,409	211,535	225,444	228,825	243,871	247,529	24,619,274
Utility Tax Transfer	2,734,594	962,779	3,250,000	722,500	787,000	180,000	510,000	186,000	221,000	1,365,614
Capital - Connections (All Cap. 08-2010)	5,865,111	4,221,167	6,830,088	4,825,802	5,546,479	5,607,732	5,191,211	10,047,515	110,000	2,887,157
Capital - Revenue Bonds	6,994,383	6,663,416	3,391,941	2,535,255	1,194,354	1,654,344	1,698,330	2,017,035	2,343,217	36,336,388
ENDING FUND BALANCE										2,343,217
RATE Increase	5%-\$1.03			5%	5%	5%	5%	5%	5%	
CONNECTION FEE Increase	10%-\$3234			3,386	3,565	3,744	3,931	4,127	4,334	

FINANCIAL PLAN FOR THE SANITARY SEWER FUND

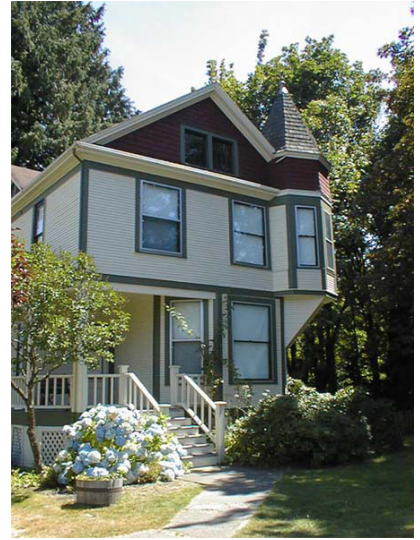
PRIORITY	EXPENSES	PRIOR YRS	6YR TOTAL	2011	2012	2013	2014	2015	2016	FUTURE YRS	GRAND TOTAL
Capital Projects:											
1	Comprehensive Plan Review/Update	40,000	80,000	80,000	0	0	0	0	0	0	120,000
2	System Rehabilitation Project	0	2,490,000	30,000	30,000	1,200,000	0	30,000	1,200,000	0	2,490,000
3	Oversizing Program	0	300,000	50,000	50,000	50,000	50,000	50,000	50,000	0	300,000
4	Regional Pump Station	0	710,000	0	60,000	650,000	0	0	0	0	710,000
5	Old Highway 99 Extension: 79th Avenue to 88th Avenue	0	820,000	0	0	60,000	760,000	0	0	0	820,000
	TOTAL EXPENSES	40,000	4,400,000	160,000	140,000	1,960,000	810,000	80,000	1,250,000	0	4,440,000
SOURCES OF FUNDS:											
	General Governmental	0	0	0	0	0	0	0	0	0	0
	Grants	0	0	0	0	0	0	0	0	0	0
	Operating Income	2,239,000	93,000	93,000	35,000	1,036,000	81,000	29,000	965,000	0	2,239,000
	Connections	2,161,000	67,000	67,000	105,000	924,000	729,000	51,000	285,000	0	2,161,000
	Revenue Bonds	0	0	0	0	0	0	0	0	0	0
	L.I.D.'s	0	0	0	0	0	0	0	0	0	0
	Other - PWTF	0	0	0	0	0	0	0	0	0	0
	TOTAL SOURCES	4,400,000	160,000	160,000	140,000	1,960,000	810,000	80,000	1,250,000	0	4,400,000

SIX YEAR FINANCIAL FORECAST

SEWER	2008	2009	2010	2011	2012	2013	2014	2015	2016	2011-2016
REVENUES										
Beginning Fund Balance	5,294,818	4,153,255	4,905,158	3,824,133	4,109,485	4,481,810	3,013,099	2,745,628	3,187,690	3,824,133
Service Collections (Rates)	1,310,246	1,324,994	1,415,269	1,436,498	1,530,948	1,553,912	1,656,082	1,680,923	1,791,444	9,649,806
Misc. revenues	241,494	55,648	73,450	54,552	55,370	56,201	37,044	37,599	38,163	278,928
Operating Income (Rates + Misc.)	1,551,739	1,380,641	1,488,719	1,491,050	1,586,318	1,610,113	1,693,125	1,718,522	1,829,607	9,928,734
Utility Tax	242,379	255,576	274,693	278,813	282,996	287,241	291,549	295,922	300,361	1,736,882
LOTT (Pass Thru incl. CDC)	3,800,425	3,396,259	3,684,203	3,868,413	4,061,834	4,264,925	4,478,172	4,702,080	4,937,184	26,312,609
Interfund Loan Reconciliation	181,164	1,740,003	265,125	265,125	278,500	278,500	292,500	292,500	307,125	0
Connection Fees	597,444	241,220	265,125	9,727,534	10,319,132	10,922,588	9,768,445	9,754,653	10,561,968	1,714,250
TOTAL REVENUES	11,667,970	11,166,954	10,617,898	9,727,534	10,319,132	10,922,588	9,768,445	9,754,653	10,561,968	43,516,609
EXPENDITURES										
O & M (including Administration)	1,215,700	1,083,016	1,162,770	1,203,467	1,245,588	1,289,184	1,334,305	1,381,006	1,429,341	7,882,892
Debt Service	158,746	159,777	155,857	82,356	81,905	83,139	83,791	82,954	82,954	414,145
Capital - Operating Income				118,000	60,000	1,061,000	106,000	54,000	990,000	2,389,000
Operating Income Supported Sub-Total	1,374,446	1,242,793	1,318,627	1,403,823	1,387,493	2,433,323	1,524,096	1,517,960	2,419,341	10,686,037
Utility Tax Transfer	244,514	256,236	274,623	278,813	282,996	287,241	291,549	295,922	300,361	1,736,882
LOTT (Pass Thru incl. CDC)	3,716,882	3,315,076	3,684,203	3,868,413	4,061,834	4,264,925	4,478,172	4,702,080	4,937,184	26,312,609
Interfund Loan	768,900	1,115,579	1,111,912	0	0	0	0	0	0	0
Capital - Connections	1,409,973	332,112	1,404,500	67,000	105,000	924,000	729,000	51,000	285,000	2,161,000
TOTAL EXPENSES	7,514,715	6,261,796	6,793,765	5,618,049	5,837,323	7,909,488	7,022,817	6,566,963	7,941,887	40,896,528
ENDING FUND BALANCE	4,153,255	4,905,158	3,824,133	4,109,485	4,481,810	3,013,099	2,745,628	3,187,690	2,620,081	2,620,081
RATE Increase	10% - \$1.20	0% - \$0.00	5% - \$0.66	0% - \$0.00	5% - \$0.69	0% - \$0.00	5% - \$0.72	0% - \$0.00	5% - \$0.76	
CONNECTION FEE Increase	10% - \$2020	0% - \$2020	5% - \$2121	0% - \$2121	5% - \$2228	0% - \$2228	5% - \$2340	0% - \$2340	5% - \$2457	

LODGING TAX FUND

This fund was created by Ordinance No. 680 in September of 1974 and amended by Ordinance No. 1264. Additional amendments to the fund were done in 1998. All such taxes collected in this fund are for the purpose of acquiring by purchase, gift or grant, to lease as lessee, and to construct, install, add to, improve, replace, repair, maintain, operate and regulate the use of public stadium facilities, convention center facilities, performing arts center facilities and/or visual art center facilities. These assets may be located within or without a city, and may including but not be limited to buildings, structures, concession and service facilities, or terminal and parking facilities for private vehicles and public transportation vehicles and system, together with all lands, properties, property rights, equipment, utilities, accessories and appurtenances necessary for such purposes. Funds may be used to pay for any engineering, planning financial, legal and professional services incident to the development and operation of such public facilities, or to pay to secure the payment of all or any portion of general obligation bonds or revenue bonds issued for such purpose as specified.

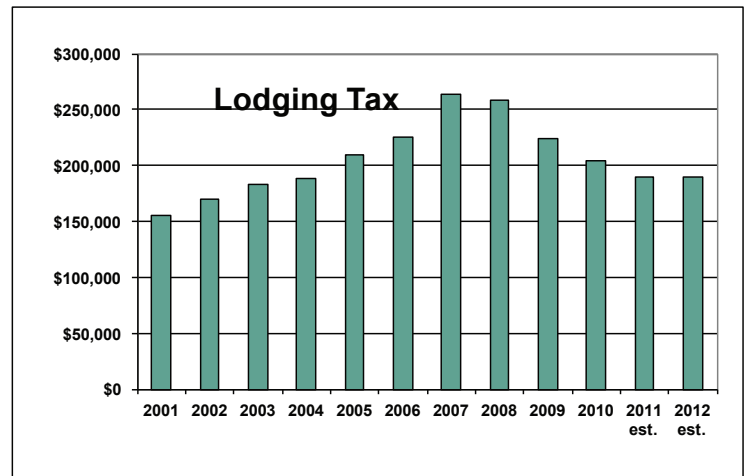


The sole source of revenue is the Hotel/Motel Tax that is derived by taking 2 percent of the state's 6.5 percent sales tax and rebating it back to the community for local programs to promote tourism. This tax is a credit against the state sales tax. The City has traditionally used this source to provide for the maintenance and operation of the Henderson House Museum, Crosby House, and the Union Cemetery.

As stated earlier, amendments were done to this revenue source in 1998. The state legislature authorized an additional taxing authority of up to two percent (2%). These funds may be used solely for paying for tourist promotion and acquisition and/

Expenditure Summary <i>Lodging Tax Fund</i>					
ITEM	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011-2012 Budget
<u>HISTORICAL & CULTURE PROGRAMS</u>					
Personnel Costs	\$79,834	\$87,861	\$89,311	\$97,223	\$88,601
Supplies	5,880	9,463	2,743	5,414	17,500
Other Services & Charges	23,137	19,690	17,361	27,669	53,491
Interfund Charges	21,637	33,321	33,822	35,022	51,630
Capital Purchases	33,961	-	5,140	-	-
<u>TOURISM PROGRAMS</u>					
Lodging Tax Advisory Board	99,738	176,002	115,860	124,999	194,560
<u>CONTINGENCY RESERVE/ENDING BAL.</u>					
Ending Fund Balance	184,307	131,416	132,943	71,535	50,303
Total Expenditures	\$448,494	\$457,753	\$397,180	\$361,862	\$456,085

Lodging Tax	
Year	Received
2001	\$155,782
2002	\$170,124
2003	\$182,677
2004	\$188,150
2005	\$209,101
2006	\$225,771
2007	\$264,237
2008	\$257,975
2009	\$224,109
2010	\$204,109
2011 est.	\$190,000
2012 est.	\$190,000



or maintenance of tourism-related facilities. "Tourism promotion" is defined as: activities and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of special events and festivals designed to attract tourists. Additionally, "Tourism-related facility" means: real or tangible personal property with a usable life of three or more years or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities.



This legislation also requires that cities with a population over 5,000 must form a lodging tax advisory committee that has the following composition:

- The committee must have at least five members, appointed by the city council;
- The committee membership must include at least two representatives of businesses that are required to collect the hotel-motel tax, two people who are involved in activities that are authorized to be funded by this tax, and one elected official who serves as the chair of the committee;
- Organizations representing hotels and motels and organizations involved in activities that can be funded by this tax may recommend people for membership;
- The number of committee members from organizations representing the hotels and motels and the number from organizations involved in activities that can be funded must be equal;
- The city council shall review the membership of the committee annually.

When the city enacts this legislation for the additional revenue source not only must they have the advisory committee as previously stated they must follow the following procedures:



- All funding requests for use of the tax proceeds must be submitted to the lodging tax advisory committee for review and comment;
- Submissions must occur at least 45 days before final action will be taken on the proposal;
- The committee's comments shall include an analysis of the extent to which the proposal will accommodate activities for tourists or increase tourism, and of the extent to which it will affect the long-run stability of the fund to which the hotel-motel taxes are credited;
- After this process is followed than the final recommendation of the committee is presented to the city council for approval.

Finally each jurisdiction that levies a hotel-motel tax must submit a report to the Washington State Department of Commerce. The report lists the tax rate for the city, a list of projects or activities funded, and the amount of revenue expended for each project or activity. This information is included in a report to the State Legislature along with all other cities imposing the tax.

The City tracks each tax source and utilization separately is required. The original tax proceeds fund what is now known as the *Historical and Cultural Programs*. Those programs include such things as the on-going operation of the Henderson House Museum, Crosby House, Log Cabin, and the Pioneer Cemetery on Littlerock Road.

LODGING TAX FUND			
BUDGET ANALYSIS - 2011-2012			
HISTORICAL & CULTURAL PROGRAM		TOURISM PROGRAMS	
2011 Beginning Fund Balance	\$ 31,908	2011 Beginning Fund Balance	\$ 39,627
Tax Proceeds 2011-2012	190,000	Tax proceeds 2011-2012	190,000
Interest	750		
Contributions	2,000		
Sale of Merchandise	1,800		
Total Resources:	\$ 226,458	Total Resources:	\$ 229,627
<u>Projects/Program Expenses:</u>		<u>Projects/Program Expenses:</u>	
Staffing, Henderson House Museum, Crosby House, Log Cabin, Cemetery.	\$ 211,222	Tourism Promotion - 2011	
		Chamber of Commerce	\$ 8,500
		Tumwater Chamber of Commerce	11,750
		Downtown Association	13,750
		Visitors & Convention Bureau	19,645
		Historical Commission	2,625
		Olympic Flight Museum	23,000
		Puget Sound Senior Games	8,125
		Wolf Haven	3,895
		Tumwater Farmer's Market	1,520
		Olympia Tumwater Foundation	4,250
		Greater Olympia Dixieland Jazz Society	2,500
		TOTAL 2011 FUNDING	\$ 99,560
		2012 FUND TO BE DETERMINED	\$ 95,000
Total Program Expenses	\$ 211,222	Total Program Expenses	\$ 194,560
2010 Ending Fund Balance	\$ 15,236	2010 Ending Fund Balance	\$ 35,067

DEVELOPMENT/ SPECIAL FEE FUND

In 1987 this fund was established by approval of Ordinance 1142 that has been codified as Tumwater Municipal Code Section 3.36.045.

This fund is for the sole purpose of receiving payments in lieu of dedication of land, or that mitigates a direct impact that has been identified as a consequence of a proposed development, subdivision or plan.

All such payments may also be expended to fund capital improvements agreed upon by the parties who paid for identified mitigation, or paid direct impact fees for transportation, parks, or fire facilities.

Funding Spent - 2010 Projects		
Type of Fee	Project	Spent
Park Impact	Pioneer Park - Phase III	\$45,294
Traffic Mitigation	Tumwater Blvd.\I-5 Exchange	\$599,901
Transportation Impact	Littlerock Road - Phase I	\$556,285
Transportation Impact	Littlerock Road - Phase II	\$343,715
Tree Mitigation	Lakeside Estates Replacement	\$33,581
Total		\$1,578,776

Development Fees - Total Collections						
Type	2007	2008	2009	2010	2011 est.	2012 est.
Fire Impact	\$91,470	\$75,085	\$5,158	N/A	N/A	N/A
Park Impact	\$161,296	\$140,803	\$169,823	\$503,469	\$100,000	\$100,000
Traffic Mitigation	\$350,628	\$133,236	\$5,352	\$1,300,378	\$408,247	\$0
Transportation Impact	\$602,776	\$412,766	\$135,533	\$598,477	\$200,000	\$200,000
Tree Mitigation	\$0	\$37,375	\$5,250	\$0	\$0	\$10,000
Total	\$1,206,170	\$799,265	\$321,116	\$2,402,324	\$708,247	\$310,000

HOLIDAY ASSISTANCE PROGRAM

City staff annually sponsors a Holiday Assistance Program for families within the Tumwater School District. In 2010, 94 families, representing 229 children, were served through the efforts of city staff, the school district and the local community. The monies are derived from staff and community donations.

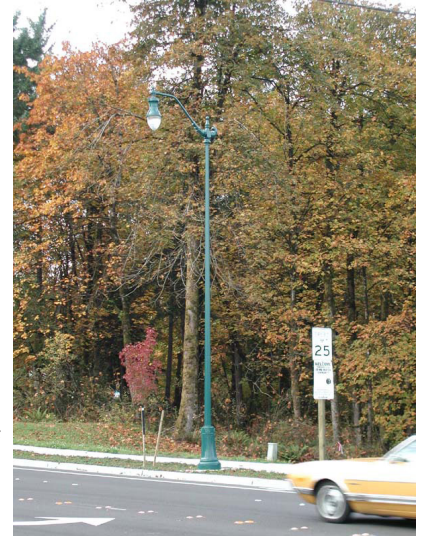
DEBT SERVICE FUNDS

WATER/SEWER/ STORM DRAINAGE REVENUE BONDS

A revenue bond is a source of funds whose principal and interest are payable exclusively from the earnings of a proprietary fund. The City of Tumwater's utility proprietary funds are: Water, Sewer and Stormsewer.

The City of Tumwater took advantage of the low interest rates during 2003 and refunded (refinanced) the callable bonds of the 1993 and 1995 water, sewer and storm sewer revenue bonds, saving nearly one-half million dollars over the remaining life of those issues. The issues are not to be fully paid until 2015 and have an outstanding principal amount of \$1,755,000.

The City maintains a high rating by Moody's Investor Service, a national bond rating agency, of "AA-" that correlates to hundreds of thousands of dollars of savings over the life of the bond issues. This high rating is a result of hard work and consistent support in and maintaining and improving our infrastructure by the Council, Administration, and Public Works Department of the City.



Revenue Bond Debt Service Schedule			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2011	\$420,000	\$53,506	\$473,506
2012	\$430,000	\$40,906	\$470,906
2013	\$450,000	\$28,006	\$478,006
2014	\$225,000	\$14,506	\$239,506
2015	\$230,000	\$7,475	\$237,475
Total	\$1,755,000	\$144,400	\$1,899,400

GENERAL OBLIGATION BONDS AND OTHER G.O. DEBT

A general obligation bond comes in two forms; voted, and non-voted. Currently, Washington State law limits the voted amount of indebtedness to two and one-half percent (2.5%) of the City's current assessed valuation (A.V.).

The City is also authorized to issue general obligation bonds for an additional two and one-half percent (2.5%) of the assessed valuation for parks and open spaces. Both of these issues are voted and approved by a 60 percent majority vote of the registered voters.



General Obligation - Debt Service Schedule Combined General Obligation Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2011	\$490,000	\$242,579	\$748,471
2012	\$510,000	\$224,590	\$751,688
2013	\$385,000	\$205,976	\$603,836
2014	\$395,000	\$190,836	\$601,134
2015	\$405,000	\$175,103	\$602,483
2016	\$425,000	\$158,705	\$602,635
2017	\$445,000	\$140,768	\$601,403
2018	\$460,000	\$121,279	\$598,804
2019	\$250,000	\$99,915	\$349,915
2020	\$260,000	\$86,718	\$346,718
2021	\$275,000	\$72,739	\$347,739
2022	\$290,000	\$65,520	\$347,980
2023	\$310,000	\$65,520	\$352,380
2024	\$325,000	\$65,520	\$350,870
2025	\$335,000	\$32,760	\$343,710
Total	\$5,560,000	\$1,948,526	\$7,549,766

In the fall of 1998 the voters approved a bond issue to construct a new headquarters fire station and acquire two new fire engines, and in 1993 there was a voter-approved bond issue for the Library. The 1986 a voter-approved bond for the construction of City hall and the maintenance facility was paid in full during 2006. The remaining bonds issued for the fire headquarters and library were refunded in 2009, taking advantage of lower rates available during the recession. During the process, the city was able to increase the rating for general obligation debt, rising to a AA- rating. The savings achieved in this transaction is approximately \$151,190 over the remaining life of the bonds. This voted debt will be paid off in 2018 and the outstanding principal is \$1,910,000.

Bonds of this type are unlimited tax general obligations (UTGO) of the City and are backed by the full faith and credit of the City.

The City, as authorized by law and ordinances of the City Council, has pledged that, unless the principal and interest of the bonds of an issue are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount upon all the property in the City subject to taxation in an amount sufficient to pay such principal and interest as they become due.

VOTE GENERAL OBLIGATION DEBT TAX RATE

<u>Year</u>	<u>Assessed Valuation</u>	<u>Annual Debt</u>	<u>Per \$1,000</u>
2001	\$914,268,189	\$816,148	\$0.893
2002	\$987,464,285	\$714,979	\$0.724
2003	\$1,067,733,242	\$821,116	\$0.769
2004	\$1,157,001,818	\$809,490	\$0.700
2005	\$1,263,251,017	\$712,281	\$0.564
2006	\$1,471,106,673	\$820,307	\$0.558
2007	\$1,766,398,056	\$100,000	\$0.057
2008	\$2,040,674,951	\$278,393	\$0.136
2009	\$2,458,361,565	\$401,873	\$0.163
2010	\$2,469,827,155	\$350,350	\$0.142
2011	\$2,469,827,155	\$375,000	\$0.163

For the non-voted general obligation debt there is one councilmanic bond issue for the Tumwater Valley Golf Course with \$3,650,000 remaining and calculated employee annual leave accruals totaling \$4,435,724.

Outstanding Junior Lien Debt

In addition to the bonds, the City has Public Works Trust Fund loans outstanding.

These are low-interest or interest-free loans administered through the Department of Community Trade and Economic Development. Total outstanding principal is \$426,803 in the Water and Sewer funds.

In 1985, the Legislature made provisions for this program from the Public Works Assistance Account, which is a portion of the general fund of the state. Qualifying criteria require jurisdictions to do the following:

- Impose the 1/4 of one percent real estate excise tax;
- Have developed a long-term plan for financing public work needs;
- By using all local revenue sources which are reasonably available for funding public works;
- Have an adopted comprehensive plan.

Combined Public Works Trust Fund Debt Service Schedule

2011	81,961	4,268	86,229
2012	64,361	3,448	67,809
2013	56,833	2,805	59,637
2014	44,730	2,236	46,966
2015	44,730	1,789	46,519
2016	44,730	1,342	46,072
2017	44,730	895	45,624
2018	44,730	447	45,177
TOTAL	\$426,803	\$17,231	\$444,034

Public Works Trust Fund Loans

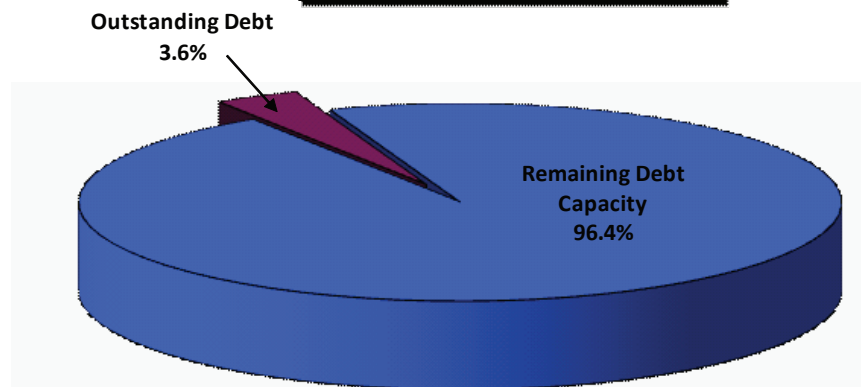
Date of Issue	Principal Outstanding	Project	Maturity from Date of Issue	Interest Rate
7/1/1990	\$0	Sewer	20 Years	3%
5/15/1991	17,600	Water	20 Years	1%
6/10/1992	15,056	Water	20 Years	3%
5/20/1993	36,309	Water	20 Years	1%
7/30/1999	357,838	Water	20 Years	1%



TOTAL DEBT CAPACITY CHART

COMPUTATION OF LEGAL DEBT MARGIN					
	GENERAL CAPACITY		SPECIAL PURPOSE CAPACITY		
	Councilmanic	Excess Levy	Parks & Open Space	Utility Purposes	Total Capacity
December 31, 2011 Assessed Valuation = \$2,212,125,939					
2.50% of Assessed Valuation		\$ 55,303,148	\$ 55,303,148	\$ 55,303,148	\$ 165,909,445
1.50% of Assessed Valuation	\$ 33,181,889	\$ (33,181,889)			
STATUTORY DEBT LIMIT	\$ 33,181,889	\$ 22,121,259	\$ 55,303,148	\$ 55,303,148	\$ 165,909,445
Less Debt Outstanding (Contracts/G.O. bonds)	\$ 3,450,000	\$ 1,910,000			\$ 5,360,000
Accrued Annual Leave	\$ 870,062				\$ 870,062
Add amount available in Debt Service Fund		\$ 138,847			\$ 138,847
REMAINING DEBT SERVICE CAPACITY	\$ 28,861,827	\$ 20,350,106	\$ 55,303,148	\$ 55,303,148	\$159,818,230

TOTAL DEBT CAPACITY



EMPLOYEE COMPENSATION

The City of Tumwater will provide quality services and programs for its citizens with a responsive staff of 165 full-time equivalent filled positions filled in 2010. Tumwater has a competitive, market-based salary and benefits package and our goal is to maintain this advantage. Salaries and benefits make up a major portion of the operating budgets.

In 2011, the Teamsters and Firefighters are under existing contracts with the city. Teamsters received a 1.5% COLA, firefighters 3%, the Police Guild contract was not finalized as of the publishing of the document. The non-represented employees did not receive a COLA adjustment in 2011.

The City provides for \$10,000 of term life insurance for the non-represented employees. Other benefits for regular status full-time employees include vacation and sick leave, and paid holidays. Employees may qualify for additional types of leave such as jury, administrative, and family medical leave.

In order to recognize and promote excellence in public service among City employees, there are two methods of providing performance based salary awards for non-represented, regular status employees. One is an annual award (up to 2.5% of an employee's annual salary) for those employees whose performance has been documented at the level of "exceeds expectations" or "outstanding." The other is a project performance award, which provides up to 1% of the annual salary for extraordinary effort and/or results from an assigned project or following a period of excess work demands within a department. Currently, performance-based salary awards are not awarded due to the economic conditions.

The City provides comprehensive benefits to its active and retired LEOFF I employees. Police, Teamsters and non-represented employees participate in the Social Security program and the City matches their contributions (7.65%). Firefighters hired after April 1, 1986 participate in Medicare only with a City match as well (1.45%). The City contributes to the Washington State Public Employees Retirement System (PERS) for all employees in qualifying positions that are not a public safety uniformed employees. All qualifying public safety employees are members of the Law Enforcement Officers & Fire Fighters (LEOFF) Retirement System and the city contributes to the System based on wages paid to members. All employee contributions are tax deferred. In addition the City provides worker's compensation and has a self-funded unemployment compensation budget.

Tumwater pays 100% of the premiums for the employee for medical and dental insurance for Firefighters, and participates in the cost of dependent coverage by paying up to 85% of the premium for eligible dependents. The city provides \$10,000 of term life insurance for this group as well and pays full family coverage for orthodontia. The City also makes a monthly pre-tax contribution of \$100 to the Washington State Council of Firefighters Employee Benefit Trust.



The City pays 100% of the medical and dental premium for all Police Guild members and participates in the cost of dependent coverage by paying up to 90% of the premium for eligible dependents. Beginning January 1, 2003 employees contribute 50% of the cost of dependent medical premium increases that are more than 10% greater than the premiums of the prior year.

The Police contract provides for a premium for detective, training officer, traffic officer, and K9 officer pay of 3.3% of an officer's base salary. There is a special assignment pay of \$100 /month for firearms, dive team, emergency vehicle operation course, less lethal instructor, SWAT team member and defensive tactics instructors. Officers designated by the Chief as relief supervisors receive \$100 per month. Officers assigned as field-training officers receive special assignment pay of \$100 for each person trained. Each officer is limited to a maximum of two special assignment or premium payments at one time.

Educational incentive pay is available for an officer who has at least 2 years of service with the Police Department. Officers receive 2% of their base wages for an Associate's Degree and 4% for a Bachelor's Degree. Guild members also receive a cleaning allowance of \$50 per month and \$1,100 a year, paid in February, for their uniform allowance.

Physical Fitness Incentive Pay is paid to senior employees who can pass a prescribed physical fitness test. Eligibility for this pay begins during the sixth year of the employee's service with the Police Department and those who pass are eligible to receive a lump sum payment of 3% of their annual salary. The City also contributes \$75 per month per Guild member to the WACOPS Retiree Premium Reimbursement Plan.

Teamster members receive 100% of employee and family member medical coverage.

Employees can contribute to a deferred compensation plan with tax deferred dollars. Police, Fire and non-represented personnel can elect to participate in the City's Section 125 and flexible spending account programs. The City acknowledges the value of education and training and eligible employees may receive reimbursement of tuition upon satisfactory completion of college courses, subject to the City's policy.



Typically, the City currently funds positions at their full annual cost for budgetary purposes even if it is projected that vacancies might occur, although some positions are currently unfilled due to economic restrictions and are not included in the budget for 2011-2012 as they are not expected to be filled. It is the City Council's objective

Employee Position Classification Salary Schedule	
<i>Elected Officials</i>	
<u>Title</u>	<u>Annual Salary</u>
Mayor	\$18,360
Councilmembers	\$7,440
Councilmembers - New	\$7,920

to provide sufficient funding for recruiting and maintaining highly qualified personnel.

BARGAINING UNITS:

- Teamster's Local Union - Public Works (25 members in 2010, contract expires December 31, 2013)
- Tumwater Police Officers Guild (22 members in 2010, contract expired December 31, 2010)
- Tumwater Firefighter's Local 2409 (30 members in 2010, contract expires December 31, 2012)



LABOR RELATIONS

Some City employees who are eligible under state law to be represented by a labor organization are employed under provisions on such matters as salaries, vacation, sick leave, medical and dental insurance, working conditions and grievance procedures.

The City strives to complete these agreements in a timely manner, consistent with all applicable state law and promote labor relations policies mutually beneficial to Administrative management and employees.

Substantially all City full-time and qualifying part-time employees participate in either the Public Employees Retirement System (PERS) or the Law Enforcement Officer's and Fire Fighter's Retirement System (LEOFF). PERS and LEOFF are statewide local government retirement systems administered by the Washington State Department of Retirement Systems.



2011 Classification and Pay Schedule <i>(Active Job Classes: Effective January 1, 2011)</i>				
CLASS CODE	JOB CLASS TITLE	Full-time Equivalents	Minimum	Maximum
ADMINISTRATIVE / FISCAL / CLERICAL / SPECIAL				
101	City Administrator	1	\$11,006	\$11,006
102	City Attorney	1	\$9,559	\$9,559
103	Administrative Services Director	1	\$8,810	\$8,810
104	Human Resources Program Manager	1	\$4,927	\$6,003
107	Secretary III	2	\$3,487	\$4,249
108	Secretary II	3.75	\$3,083	\$3,756
109	Secretary I	1.95	\$2,792	\$3,401
111	Office Assistant	0.50	\$2,792	\$3,401
112	Administrative Assistant	3	\$4,044	\$4,927
113	Executive Secretary	1	\$3,848	\$4,690
115	Finance Director	1	\$9,067	\$9,067
116	Assistant Finance Director	1	\$5,573	\$6,793
117	Deputy City Clerk	1	\$4,690	\$5,713
118	Accountant	1	\$4,355	\$5,305
119	Payroll Officer	1	\$3,664	\$4,465
121	Accounting Assistant	4	\$3,487	\$4,249
124	Accounting Technician	0.80	\$3,664	\$4,465
125	Production Cook	1	\$2,530	\$3,083
129	Court Clerk	1	\$2,401	\$4,145
130	Communications Coordinator	1	\$4,044	\$4,927
131	Museum Coordinator	1	\$4,249	\$5,176
134	Community Services Officer	1	\$2,658	\$3,237
135	Police Records Clerk	1	\$3,083	\$3,756
136	Services and Transportation Officer	1	\$3,574	\$4,355
137	Legal Specialist	1	\$4,145	\$5,050
PUBLIC WORKS / PARKS AND RECREATION / COMMUNITY DEVELOPMENT				
201	Director of Public Works	1	\$9,174	\$9,174
202	City Engineer	1	\$6,464	\$7,875
203	Public Works Operations Manager	1	\$5,573	\$6,793
204	Public Works Operations Supervisor	1	\$4,465	\$5,436
206	Water Resources Educator	1	\$3,945	\$4,808
207	Mapping/Survey Manager	1	\$5,176	\$6,306
208	Water Resources Program Manager	1	\$4,927	\$6,003
209	Engineer III	2	\$6,464	\$7,875

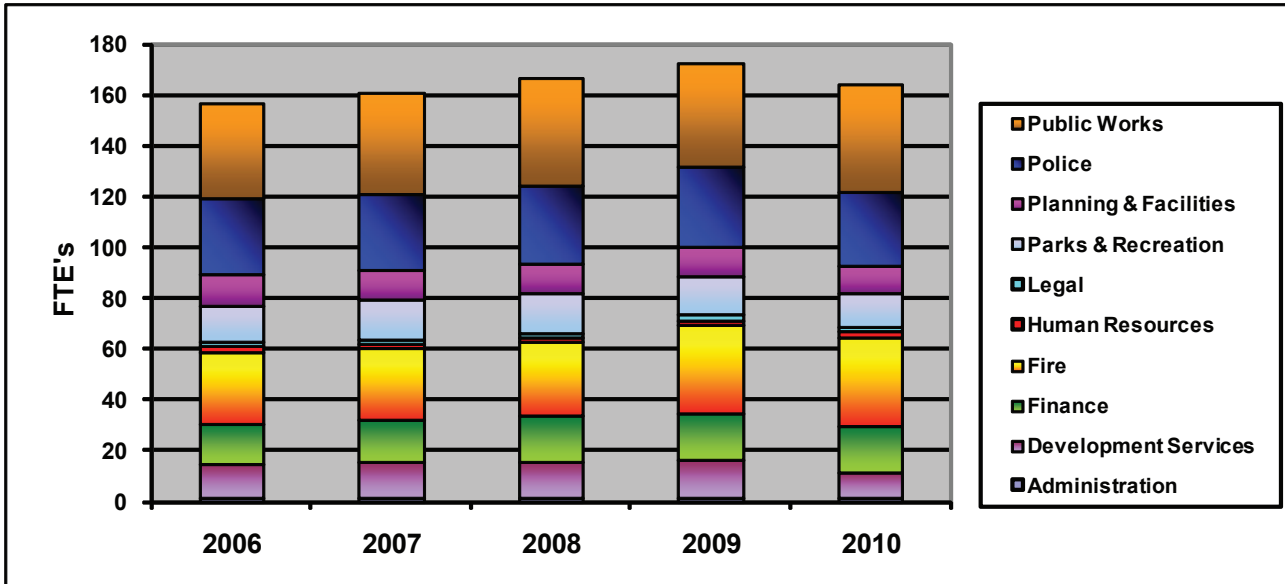
2011 Classification and Pay Schedule*(Active Job Classes: Effective January 1, 2011)*

CLASS CODE	JOB CLASS TITLE	Full-time Equivalents	Minimum	Maximum
PUBLIC WORKS / PARKS AND RECREATION / COMMUNITY DEVELOPMENT				
211	Engineer II	1	\$5,305	\$6,464
214	Water Resources Specialist	1	\$4,574	\$5,573
215	Engineering Technician IV	2	\$4,574	\$5,573
217	Engineering Technician III	2	\$4,145	\$5,050
220	GIS Technical Specialist	1	\$4,574	\$5,573
227	Community Development Director	1	\$8,873	\$8,873
231	Associate Planner	1	\$4,574	\$5,573
234	Senior Planner	1	\$5,305	\$6,464
235	Planning Manager	1	\$5,436	\$6,626
236	Permit Technician	2	\$3,664	\$4,465
238	Planning Technician	1	\$3,664	\$4,465
240	Director of Parks and Recreation	1	\$9,067	\$9,067
241	Recreation Supervisor	2	\$4,927	\$6,003
242	Recreation Coordinator	2	\$4,044	\$4,927
245	Recreation Program Aide I	0.50	\$1,788	\$2,182
250	Golf Professional	1	\$4,465	\$5,436
252	Golf Course Superintendent	1	\$4,145	\$5,050
TRADES / MAINTENANCE / TECHNICAL				
317	Facilities and Contracts Manager	1	\$5,176	\$6,306
318	Building Maintenance Worker I	1.5	\$3,237	\$3,945
319	Building & Grounds Maint. Worker II	1	\$3,487	\$4,249
320	Parks Maintenance Supervisor	1	\$3,945	\$4,808
321	Equipment Repair Technician	1	\$3,487	\$4,249
323	Parks Maintenance Lead	1	\$3,574	\$4,355
340	Meter Reader (Hourly)	0.66	\$17.58	\$21.66
341	Maintenance Worker (Hourly)	7	\$19.21	\$23.70
342	Traffic Signal and Streetlight Technician (Hourly)	1	\$21.04	\$25.89
343	Skilled Maintenance Worker (Hourly)	9	\$21.04	\$25.89
344	Electrician (Hourly)	1	\$21.04	\$25.89
345	Fleet Technician (Hourly)	1	\$21.04	\$25.89
346	Water Quality Technician (Hourly)	2	\$21.04	\$25.89
347	Lead Worker (Hourly)	2	\$22.53	\$27.65
348	Cross Connection Control Specialist	1	\$21.04	\$25.89

2011 Classification and Pay Schedule <i>(Active Job Classes: Effective January 1, 2011)</i>				
CLASS CODE	JOB CLASS TITLE	Full-time Equivalents	Minimum	Maximum
360	Information Technology Manager	1	\$6,306	\$7,684
362	Network Administrator	1	\$4,574	\$5,573
365	Software Applications Specialist	1	\$4,690	\$5,713
366	Information Technology Technician	0.5	\$3,756	\$4,574
INSPECTION / PROTECTION / ENFORCEMENT				
401	Building and Fire Safety Official	1	\$6,464	\$7,875
403	Building & Fire Safety Plans Examiner	1	\$4,574	\$5,573
407	Senior Building/Fire Safety Inspector	1	\$4,690	\$5,713
409	Police Chief	1	\$9,168	\$9,168
410	Police Commander	1	\$6,962	\$8,482
413	Police Lieutenant	6	\$5,514	\$6,712
415	Police Officer	16	\$4,086	\$5,756
431	Fire Chief	1	\$8,810	\$8,810
433	Assistant Fire Chief	1	\$6,626	\$8,072
436	Fire Captain	3	\$6,121	\$7,441
437	Paramedic Lieutenant	1	\$5,867	\$7,132
439	Fire Lieutenant	4	\$5,611	\$6,821
440	Fire Inspector	1	TBD	TBD
441	Paramedic / Firefighter	15	\$5,611	\$6,821
442	Firefighter	7	\$5,103	\$6,202
		160.16		

PERSONNEL COMPLEMENT

FTE's FOR ALL DEPARTMENTS



DEPARTMENT	2006	2007	2008	2009	2010	Change
Administration	2	2	2	2	2	0
Development Services	13	14	14	15	10	-5
Finance	15.71	16.71	17.71	17.71	17.96	0.25
Fire	28.50	27.50	29	35	35	0
Human Resources	2	2	2	2	2	0
Legal	2	2	2	2	2	0
Parks & Recreation	14.25	15.25	15.25	15.25	13.25	-2
Planning & Facilities	11.75	11.75	11.75	11.75	10.75	
Police	30	30	31	31	29	-2
Public Works	37.25	39.50	41.75	41.0	42.0	1.0
Total Staffing	156.46	160.71	166.41	172.66	163.91	-8.75



ACCOUNTING SYSTEM

The total set of records and procedures, which are used to record, classify, and report information on the financial status and operations of an entity.

ACCOUNTS PAYABLE

A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE

An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL BASIS OF ACCOUNTING

Under this accounting method, revenues and expenditures are recorded in the periods in which these transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid. Enterprise and Internal Services Funds use the accrual basis of accounting.

ACCUMULATED DEPRECIATION

A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of fixed accounts.

AD VALOREM TAXES

A tax levied on the assessed value of real property known as property tax.

ADVANCE REFUNDING BONDS

Bonds that are issued to refinance an outstanding bond issue before the date at which the outstanding bonds become due.

AGENCY FUND

A fund used to account for assets held by a government as an agent for individuals, private organizations, other governments and/or other funds.



ALLOCATION

To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

AMORTIZATION

(1) The portion of the cost of a limited life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNUAL DEBT SERVICE

The amount required to be paid in a calendar year for (1) interest on all parity bonds then outstanding; (2) principal of all Parity Bonds then outstanding, but excluding any outstanding term bonds, and (3) payments into any Sinking Fund Account for the amortization of outstanding parity bonds divided by the number of calendar years to

the last maturity or mandatory redemption date thereof.

ANNUAL FINANCIAL REPORT

(AFR) The official annual report of a government. It includes (a) the combined financial statements, overview and their related notes and (b) combined statements by fund type and individual fund financial statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-regulated legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section.

APPROPRIATION

An authorization made by the City Council, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

APPROPRIATIONS ORDINANCE

The official enactment by the City Council establishing the legal authority for City officials to obligate and expend resources.

ASSESSED VALUATION (AV)

The estimated value placed upon real and personal property by the Thurston County Assessor as the basis for levying property taxes.

ASSET MANAGEMENT

A fund and program that provides self-sufficient fleet and the technology equipment management for the city and is managed and administered by the Finance Department. Customer department's pay for the technology equipment or fleet used through charges billed monthly. These charges include a form of depreciation, which is accumulated as a sinking fund for future asset replacement, a factor for maintenance of the equipment, and overhead costs to operate the fund.

ASSETS

Property owned or held by a government, which has monetary value. Assets are long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Assets can include equipment, computers, furniture, buildings, and improvements other than buildings, land, plant and vehicles. All vehicles & technology equipment are contributed to the Asset Management Fund where depreciation is calculated. Once purchased, all items are maintained in the fund until disposed.

AUDIT

A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- ascertain whether financial statements fairly present financial position and result of operations,
- test whether transactions have been legally performed,
- identify areas for possible improvements in accounting practices and procedures,
- ascertain whether transactions have been recorded accurately and consistently,



- and ascertain the stewardship of officials responsible for governmental resources.

AUDITOR'S REPORT

In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with generally accepted accounting practices or some other comprehensive basis system of accounting.

BALANCED BUDGET

A budget is balanced when the sum of estimated revenues and appropriated fund balance is equal to appropriations.

BALANCE SHEET

A statement presenting the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specified date.

BARS

An acronym meaning the *Budgeting, Accounting, and Reporting System* manual which is prescribed by the State of Washington for all governmental entities in the state of Washington.

BASE BUDGET

Ongoing expenses for personnel, contractual services, and the replacement of supplies and equipment required to maintain service levels previously authorized by the City Council.

BASIC FINANCIAL STATEMENTS

Those financial statements, including notes thereto, necessary for the fair presentation of the financial position and results of operations of an entity in conformity with GAAP. The basic financial statements include a statement of net assets, an "all-inclusive" operating statement, a budget comparison statement (for the General Fund and other major funds for which annual appropriated budgets are adopted), and a statement of changes in financial position (for proprietary funds, pension trust funds and non-expendable trust funds).

BASIS OF ACCOUNTING

A term used to refer to when revenues, expenditures, expenses and transfers - and the related assets and liabilities - are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

BEGINNING FUND BALANCE

A revenue account used to record resources available from the previous fiscal year.

BOND

(Debt Instrument) A written promise to pay (debt) a specified sum of money (called



principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used as long-term debt to pay for specific capital expenditures.

BOND ANTICIPATION NOTES

(BANS) Short-term interest-bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue from which they are related.

BOND REGISTRAR

The fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York, for the purposes of registering and authenticating the bonds, maintaining the bonds, maintaining the bond register, effecting transfer of ownership of the bonds and paying interest on a principal of (and any premium pursuant to call on) the bonds.

BUDGET

A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which the City and its departments operate.

BUDGET CALENDAR

The schedule of key dates or milestones, which the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT

The official written statement prepared by the Finance Department and supporting staff for the mayor, which represents the financial plan and programs proposed for the next fiscal year.

BUDGET MESSAGE

The general discussion or summary of the budget as presented in writing by the chief executive officer to the City Council and the public.

CAPITAL ASSETS

See ASSETS.

CAPITAL BUDGET

A plan of proposed capital expenditures and the means of financing them. The capital budget may be enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on the Capital Facilities Plan (CFP).

CAPITAL FACILITIES PLAN (CFP)

A plan of proposed capital expenditures to be incurred each year over a period of six future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.





CAPITAL PROGRAM

A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected public facilities.

CAPITAL OUTLAY

Expenditures, which result in the acquisition of or additions to assets. Examples include land, buildings, machinery and equipment, and construction projects, all of which must meet the capitalization threshold of \$5,000 and have a life expectancy that exceeds two years.

CAPITAL PROJECTS

Projects, which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land or construction of a building or facility, with a life expectancy of more than 10 years.

CASH BASIS

The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

CASH FLOW BUDGET

A projection of the cash receipts and disbursements anticipated during a given time period.

CDBG

Community Development Block Grant - grant funds administered through Department of Commerce of the State of Washington.

CENTENNIAL CLEAN WATER PROGRAM (CCWP)

In 1986, legislation was passed which provides grants to public entities for financing water pollution control activities and facilities to protect surface and underground water from pollution. In addition, a state revolving loan program was established to provide loans or combinations of grants/loans to finance public facilities.



CERTIFICATE OF DEPOSIT

A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

COLA

Cost of Living Allowance. A wage increase based on an inflationary measure.

COMMUNITY PARK

Those parks so designated in the City of Tumwater Parks and Recreation Plan.

CONCURRENT OR CONCURRENCY

The improvements that are in place at the time the impacts of development occur, or

that the necessary financial commitments are in place. Public facilities and services shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

CONTINGENCY

A budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted.

COST ACCOUNTING

An accounting method that assembles and records all costs incurred to carry out a particular activity or to deliver a particular service.

COUNCILMANIC BONDS

Councilmanic bonds refer to bonds issued with the approval of the Council, as opposed to voted bonds, which must be approved by vote of the public. Councilmanic bonds must not exceed 1.50 percent of the assessed valuation, and voted bonds 2.50 percent.

CPI

Consumer Price Index is a measure of the change in prices over time for a fixed market basket of goods and services as provided by the U.S. Department of Labor.

DEBT

An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds and notes.

DEBT LIMITS

The maximum amount of gross or net debt, which is legally permitted.

DEBT SERVICE

Payment of interest and repayment of principal to the holders of the City's debt instruments.

DEBT SERVICE FUND

A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFICIT

(1) The excess of an entity's liabilities over its assets (See Fund Balances). (2) The excess of expenditures or expenses over revenues during a single accounting period.

DELINQUENT TAXES

Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.



DEMAND DEPOSIT

A deposit of money that is payable by the bank upon demand.

DEPRECIATION

(1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset, which is charged as an expense during a particular period.

**DEVELOPMENT ACTIVITY**

Any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, that creates additional demand and need for public facilities.

DOUBLE BUDGETING

The result of having funds or departments within a government purchase services from one another rather than from outside vendors. When internal purchasing occurs, both funds must budget the expenditure (one to buy the service and the other to add the resources to its budget so they have something to sell). This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice: once in each fund's budget. The revenue side of both funds is similarly inflated.

DUE FROM OTHER FUNDS

An asset account used to indicate amounts owed to a particular fund by another fund for goods or services rendered. This account includes only short-term obligations on open account, not inter-fund loans.

DEPARTMENT

The basic organizational unit of City government responsible for carrying out specific functions assigned.

ENCUMBRANCES

Obligations in the form of purchase orders, contracts or salary commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

ENDING FUND BALANCE

The estimated amount of cash and investments that have not been appropriated, or the actual amount that has not been spent at the end of a budget, and or the amount held in reserve for future years.

ENTERPRISE FUND

Separate financial accounting used for government operations that are financed and operate in a manner similar to business enterprises, and for which preparation of an income statement is desirable.

EQUIPMENT RENTAL

See ASSET MANAGEMENT



EXPENDITURES

Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FEDERAL AID URBAN SYSTEM

(FAUS) Provides funds for the construction, reconstruction, and improvement of urban streets and roads. A local match of 16.6 percent is required.

FEE IN LIEU OF(FILO)

Charges are contributions made by developers toward future improvements of City facilities resulting from the additional demand on the City's facilities generated from the development.

**FINES & FORFEITURES**

This revenue category includes court, traffic and parking fines and forfeitures.

FISCAL YEAR

A twelve (12) month period designated as the operating year by an entity. For Tumwater, the fiscal year is the same as the calendar year (also called budget year).

FIXED ASSETS

See ASSETS

FLOAT

The amount of money represented by checks outstanding and in the process of collection.

FRANCHISE

A special privilege granted by the City that permits the long-term continuing use of public property. A franchise usually involves a monopoly and is regulated by the City. An example of a franchise is the cable television industry.

FULL FAITH AND CREDIT

A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

FULL-TIME EQUIVALENT EMPLOYEE (FTE)

A term that expresses the amount of time a position has been budgeted for in relations to the amount of time a regular, full-time employee normally works in a year. For budget and planning purposes, a year of full-time employment is defined as 2,080 hours. A position that has been budgeted to work half-time for a full year, or full-time for only six (6) months, is .50 FTE. Firefighters have a different level of hours worked, but are displayed using the same basic method.

**FUND**

An independent fiscal and accounting entity with a self-balancing set of accounts

recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE

The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.



GAAFR

"Governmental Accounting, Auditing and Financial Reporting." The "blue book" published by the Government Finance Officers Association to provide guidance for the application of accounting principles for governments.

GAAP

Generally Accepted Accounting Principles are standards used for accounting and reporting used for both private industry and governments.

GASB

Government Accounting Standards Board, established in 1985, to regulate the rules and standards for all governmental units.

GENERAL FIXED ASSETS

Capital assets that are not a part of any fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds.

GENERAL FUND

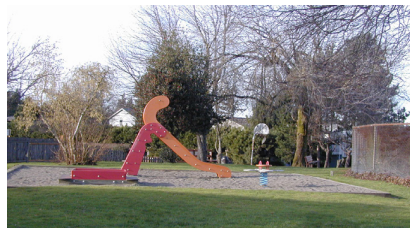
The fund supported by taxes, fees and other revenues that may be used for any lawful purpose.

GENERAL OBLIGATION BONDS

Bonds for which the full faith and credit of the government are pledged for payment.

GRANT

A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.



GUARANTY FUND

A fund established by a bond issuer, which is pledged, as security for the payment of one or more bond issues. Normally used for local improvement districts (LID).

ISTEA

Inter-modal Surface Transportation Efficiency Act.

IMPACT FEES

A fee assessed on new development that creates additional demand and need for public facilities.

INFRASTRUCTURE

The underlying foundation, especially the basic installations and facilities, on which the continuance and growth of a jurisdiction depends, i.e., streets, roads, sewer, and water systems.

INTERFUND PAYMENTS

Expenditures made to other funds for services rendered. This category primarily includes the charges to operate the Asset Management Fund.

INTERGOVERNMENTAL COSTS

Costs or expenses paid from one government to another government for services. These costs include but are not limited to such things as: jail services, animal control services, audit and voter costs.

INTERGOVERNMENTAL REVENUE

Are funds received (revenues) from the federal, state, or any other government source in the form of grants, shared revenues and payments in lieu of taxes.

INTERGOVERNMENTAL SERVICES

Intergovernmental purchases of those specialized services typically performed by local governments.

INTERLOCAL AGREEMENT

A contract between two government entities whereby one government assumes the lead responsibility of a project that overlaps both jurisdictions.

INTERNAL CONTROL

A plan of organization for purchasing, accounting, and other financial activities, which, among other things, provides that

- The duties of employees are subdivided so that no single employee handles financial action from beginning to end.
- Proper authorization from specific responsible officials is obtained before key steps in the processing of a transaction are completed. Records and procedures are arranged appropriately to facilitate effective control.

INTERNAL SERVICE FUND

Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. An example of an Internal Service Fund in the City is the Asset Management Fund.

INVESTMENT

Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals and base payments.

IPD

Implicit Price Deflator. A measure of inflation.





LAPSING APPROPRIATION

An appropriation made for a certain period of time, generally for the fiscal or budget year. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law

LATECOMER FEES

Fees paid by developers or future service users for their share of past improvements financed by others.

LEASING

A financial technique whereby ownership of the project or equipment remains with the financing entity, and where title may or may not transfer to the City at the end of the lease.

LEOFF

Law Enforcement Officers and Firefighters Retirement System operated by the State of Washington and funded by employer and employee contributions.

LEVY

(1) To impose taxes, special assessments or service charges for the support of government activities. (2) The total amount of taxes, special assessments or service charges imposed by a government.

LEVY LID

A statutory restriction on the annual increase in the amount of property tax a given public jurisdiction can assess on regular or excess levies.

LIABILITY

Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date.

LID

Local Improvement District or Special Assessments made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

L.O.T.T.

A wastewater alliance that administers and manages the transmission, treatment and discharge of wastewater serving Lacey, Olympia, Tumwater and Thurston County.

LIMITED TAX GENERAL OBLIGATION BONDS (LTGO)

Are non-voted bonds that are secured by the full faith and credit of the City and subject to an annual tax levy.

MANAGEMENT TEAM

The City's administrative body consisting of the City Administrator and all Department Directors.



MATURITIES

The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

MITIGATION FEES

Contributions made by developers toward future improvements of city facilities resulting from the additional demand on the City's facilities generated from the development.

MODIFIED ACCRUAL BASIS

The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

NET REVENUE

The revenue of the system less the cost of maintenance and operation of the system.

NOTES TO THE FINANCIAL STATEMENTS

The disclosures required for a fair presentation of the financial statements of government in conformity with GAAP and not included on the face of the financial statements themselves.

OBJECT

As used in expenditure classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures).

OPERATING FUNDS

Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

OPERATING TRANSFER

Routine and/or recurring transfers between funds.

ORDINANCE

A formal legislative act by the City Council that has the full force and effect of law within the city limits.

OTHER SERVICES AND CHARGES

A basic classification for services, other than personnel services, which are needed by the City. This item includes professional services, communication, travel, advertising, training, dues and subscriptions, printing, equipment rental, insurance, public utility services, repairs and maintenance.

PARITY BOND

Any and all water and sewer revenue bonds of the City the payment of which, both principal and interest, constitutes a lien and charge upon the revenue of the system and upon assessments equal in rank with the lien and charge on such revenue of the





system and assessments for payments required to pay and secure the payment of the bonds.

PERS

Public Employees Retirement System for most government employees other than Police and Fire. It is operated by the State of Washington with contributions received from the employer and employee

PERSONNEL COSTS

Costs that include all salaries, wages, and benefits for all part-time, full-time, seasonal and temporary employees. These costs can be terms and conditions required by law or employment contracts.

PRELIMINARY BUDGET

The recommended but unapproved budget for the ensuing fiscal year submitted by the Department for the Mayor to the City Council and the public.

PROCLAMATION

An official act by the Mayor or Executive Officer made through a public forum.

PROGRAM

A specific and distinguishable unit of work or service performed.

PROGRAM ENHANCEMENT

Programs, activities or personnel requested to improve or add to the current baseline services.

PROGRAM MEASURES

A unit of standard used for the quantitative comparison in the manner of functioning to capacity or quantity as determined.

PROGRAM REVENUE

These are revenues, which are produced as a result of an activity of a program and are subject to quantity of services provided to the public or governmental units (i.e. permits, charges for fire services, recreational activities), or revenues dedicated to a specific use (i.e. grants taxes or debt funds).

PROPERTY TAX LEVY – REGULAR

The amount of property tax allowable under law that the city may levy without approval by the voters.

PROPERTY TAX LEVY – EXCESS

The amount of property tax in excess of the “regular levy” and which the voters must vote upon.

PROPRIETARY FUND TYPES

Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government’s ongoing organizations and activities



that are similar to those often found in the private sector. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position.

PUBLIC FACILITIES

The capital owned or operated by the City or other governmental entities.

PUBLIC HEARING

A public hearing is a specifically designated time, place and opportunity for citizens, community groups, businesses, and other stakeholders to address the City Council on a particular issue. It allows interested parties to express their opinions and the City Council and/or staff to hear their concerns and advice.

PUBLIC WORKS TRUST FUND (PWTF)

Is a low-interest revolving loan fund that helps local governments finance critical public works needs. To be eligible for trust fund financing, the applicant must be a local government entity, with a long-term plan for financing public works needs. If the applicant is a city or county, it must be imposing the optional one-quarter percent real estate excise tax for capital purposes. Eligible projects include streets and roads, bridges, storm sewers, sanitary sewers, and water systems. Loans will only be made for the purpose of repair, replacement, reconstruction, or improvement of existing eligible public works systems to meet current standards and to adequately serve the needs of the existing populations. New capital improvement projects are not eligible. The maximum loan amount has been one million with a minimum local match of ten percent. Interest rates vary from one to three percent, depending on the match.

RCW

Revised Code of Washington. Laws of the State of Washington enacted by the State Legislature.

REET

(Real Estate Excise Tax) A tax upon the sale of real property from one person or company to another.

RESERVE

An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

RESOLUTION

A special or temporary order of the legislative body (City Council) requiring less legal formality than an ordinance or statute and may include statements of decisions or opinions.

RESOURCES

Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.





RETAINED EARNINGS

An equity account reflecting the accumulated earnings of the City.

REVENUE

Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income and miscellaneous revenue.

REVENUE BONDS

Bond issued pledging future revenues, usually water, sewer or drainage charges, to cover debt payments in addition to operating costs.

REVENUE ESTIMATE

A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

STP

Surface Transportation Program.

STPE

Surface Transportation Program - Enhancement.

STPH

Surface Transportation Program - Hazard Elimination.

STPUS

Surface Transportation Program -Urban Small.

SALARIES AND WAGES

See PERSONNEL COSTS



SERVICE MEASURES

Specific quantitative measures of work performed within an activity or program (e.g., total miles of street cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to new street lighting program).

SINGLE AUDIT

An audit performed in accordance with the Single Audit Act of 1984 and office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

SINKING FUND ACCOUNT

An account created in the bond fund to amortize the principal of term bonds.

SPECIAL ASSESSMENT

A compulsory levy made against certain properties from earnings of enterprise funds. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

SPECIAL REVENUE FUND

A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure or specified purposes.

SUPPLEMENTAL APPROPRIATION

An appropriation approved by the Council after the initial budget appropriation.

SUPPLIES

A basic classification of expenditures for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, ammunitions, inventory or resale items, and small tools and equipment.

SURETY BOND

Any letter of credit, insurance policy, surety bond or other equivalent credit facility or any combination thereof issued to the City to satisfy all or part of the amount required to be maintained in the Reserve Account to make such payments of principal and interest as the same become due at maturity or on any mandatory redemption date.

TIA

Transportation Improvement Account.

TAX

Charge levied by a government to finance services performed for the common benefit.

TAX ANTICIPATION NOTES

(TANS) Notes issued in anticipation of taxes, which are retired usually from taxes collected (typically by school by school districts).

TAX LEVY ORDINANCE

An ordinance authorizing the levy of taxes.

TAX RATE LIMIT

The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

TERM BONDS

Any parity bonds designated by the Council as "term bonds" pursuant to an ordinance which authorizes the issuance of parity bonds and provides for mandatory payments into a sinking fund account established for the term bonds so designated and provides for mandatory redemption of such term bonds from such sinking fund account.





TRANSPORTATION IMPROVEMENT ACCOUNT (TIA)

Provides funding for transportation projects through two programs: The urban programs. Urban projects must be attributable to congestion caused by economic growth. They must be consistent with state, regional and local selection processes. The TIB requires multi-agency planning and coordination and public/private cooperation to further the goal of achieving a balanced transportation system in Washington State.

TRANSPORTATION IMPROVEMENT BOARD: (TIB)

The purpose of the TIB is to administer funding for local governments for transportation projects. This is accomplished through the Transportation Improvement Account Program and the Urban Arterial Trust Account Program. Revenues are from the state fuel tax, local matching funds, and private sector contributions.

TRUST FUND

Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, and/or other funds.

UATA

Urban Arterial Trust Account.

UTILITY LOCAL IMPROVEMENT DISTRICTS (ULID)

Created only for improvement to sewer, water, and other utilities and differs from a LID in that all assessment revenues must be pledged for payment of debt service of bonds issued to finance the improvements.

WAC

Washington Administrative Code.

WCIA

Washington cities Insurance Authority is a group of cities across the state that provides pooled self-insurance services for liability, auto, property, and all other insurance coverage.



YIELD

The rate earned on an investment based on the price paid for the investment, the interest earned during the period held, and the selling price or redemption value of the investment.